

CLARK COUNTY, WASHINGTON

BASIC FINANCIAL STATEMENTS

The basic financial statements and note disclosure comprise the minimum acceptable fair presentation in conformity with Generally Accepted Accounting Principles (GAAP). Basic financial statements are designed to be "liftable" from the Financial Section of the Comprehensive Annual Financial Report (CAFR) for widespread distribution to users requiring less detailed information than is contained in the full CAFR. Basic Financial Statements include:

Government-wide Financial Statements

- (1) **Government-wide Statement of Net Assets** – presents information on all County governmental and business-type assets and liabilities, with the difference reported as net assets.
- (2) **Government-wide Statement of Activities** – presents information on all County governmental and business-type revenues and expenses, with the difference reported as change in net assets.

Fund Financial Statements

- (3) **Balance Sheet - Governmental Funds** - presents the balance sheets for major funds and aggregated amounts for all other governmental funds.
- (4) **Reconciliation of the Balance Sheet to the Government-wide Statement of Net Assets**
- (5) **Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds** – presents information for each major fund and aggregated information for all other governmental funds.
- (6) **Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-wide Statement of Activities**
- (7) **Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) and Actual** – presents budget information, along with actual results, on separate statements for each major fund which has a legally adopted budget. Departmental information is included for the General Fund, in accordance with the County's legally adopted budget.
- (8) **Statement of Net Assets – Proprietary Funds** – presents information on all assets and liabilities, with the difference reported as change in net assets for the major enterprise fund and aggregated amounts for all other enterprise funds, as well as a separate column of information for internal service funds.
- (9) **Statement of Revenues, Expenses, and Changes in Net Assets - Proprietary Funds** - presents information for each major fund and aggregated information for all other governmental funds. Major and non-major enterprise funds and internal service funds

CLARK COUNTY, WASHINGTON

- (10) **Statement of Cash Flows** -. presents information on the sources and uses of cash for the major fund and aggregated information for all other enterprise funds and for internal service funds.
- (11) **Statement of Fiduciary Net Assets** – presents information on investment trust fund, the private-purpose trust fund, and agency fund assets and liabilities, with the difference reported as net assets.
- (12) **Statement of Changes in Fiduciary Net Assets** - presents information on additions to and deductions from investment trust funds, the private-purpose trust fund, and agency funds, with the difference reported as change in net assets.
- (13) **Notes to Financial Statements**- presents disclosure and further detail information to assist the reader in a better understanding of the financial statements and the data presented within them.

CLARK COUNTY, WASHINGTON**Statement of Net Assets
For the Year Ended December 31, 2001**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash, cash equivalents & pooled investments	\$ 132,026,928	\$ 19,490,726	\$ 151,517,654
Receivables	91,275,539	1,257,181	92,532,720
Internal balances	502,980	(502,980)	0
Inventories	519,729	0	519,729
Prepays	89,034	3,084	92,118
Notes receivable	4,611,331	44,486,643	49,097,974
Deferred charges	253,246	0	253,246
Restricted assets - in safekeeping	2,614,110	0	2,614,110
Capital assets (net of depreciation)	201,419,539	71,307,949	272,727,488
Construction in progress	81,659,886	321,644	81,981,530
Total assets	<u>514,972,322</u>	<u>136,364,247</u>	<u>651,336,569</u>
LIABILITIES			
Accounts payable and other current liabilities	10,206,610	188,643	10,395,253
Accrued liabilities	10,756,670	496,695	11,253,365
Deposits payable	4,274,544	0	4,274,544
Due to other governments	56,587	4,215	60,802
Deferred revenue	473,630	44,486,643	44,960,273
Long term liabilities:			
Special assessment debt with governmental commitment	413,954	0	413,954
Other due within one year	4,886,174	2,638,825	7,524,999
Other due in more than one year	98,353,124	41,481,879	139,835,003
Total liabilities	<u>129,421,293</u>	<u>89,296,900</u>	<u>218,718,193</u>
NET ASSETS			
Invested in capital assets, net of related debt	179,840,127	27,604,961	207,445,088
Restricted for:			
Capital projects	41,826,689	0	41,826,689
Culture and recreation	13,282,794	0	13,282,794
Economic environment	16,134,564	0	16,134,564
Law and justice	1,707,288	0	1,707,288
Debt service	32,142	0	32,142
Transportation	7,582,604	0	7,582,604
Health and human services	7,017,370	0	7,017,370
General governmental	735,200	0	735,200
Unrestricted (deficit)	117,392,251	19,462,386	136,854,637
Total net assets	<u>\$ 385,551,029</u>	<u>\$ 47,067,347</u>	<u>\$ 432,618,376</u>

**Statement of Activities
For the Year Ended December 31, 2001**

Functions/Programs			Program Revenues		Net (Expenses) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Grants & Contributions		Primary Government		
			Operating	Capital	Governmental Activities	Business-Type Activities	Total
			Grants and Contr.	Grants & Contr.			
Primary Government:							
Governmental activities:							
General government	37,724,191	10,870,518	7,073,397	0	(19,780,276)	0	(19,780,276)
Public safety	49,887,576	4,422,677	6,648,129	0	(38,816,770)	0	(38,816,770)
Judicial	6,624,707	3,623,310	292,852	0	(2,708,545)	0	(2,708,545)
Physical environment	1,884,227	488,367	179,305	0	(1,216,555)	0	(1,216,555)
Transportation	20,028,724	4,541,165	0	26,539,031	11,051,472	0	11,051,472
Economic environment	16,950,324	10,286,408	7,730,689	0	1,066,773	0	1,066,773
Health and human services	25,859,689	275,852	25,928,011	0	344,174	0	344,174
Culture and recreation	7,854,481	8,841,375	1,262,667	303,959	2,553,520	0	2,553,520
Interest on long term debt	5,183,340	0	0	0	(5,183,340)	0	(5,183,340)
Total governmental activities	171,997,259	43,349,672	49,115,050	26,842,990	(52,689,547)	0	(52,689,547)
Business-type activities:							
Solid waste	1,417,288	1,416,399	351,446	0	0	350,557	350,557
Water	2,497,649	4,269,927	2,003	0	0	1,774,281	1,774,281
Sewer	5,872,045	7,032,011	0	2,231	0	1,162,197	1,162,197
Total business-type activities	9,786,982	12,718,337	353,449	2,231	0	3,287,035	3,287,035
Total primary government	181,784,241	56,068,009	49,468,499	26,845,221	(52,689,547)	3,287,035	(49,402,512)
General revenues:							
Taxes:							
Property					66,737,457	0	66,737,457
Sales					21,470,875	0	21,470,875
Other					10,620,878	0	10,620,878
Interest and investment earnings					8,815,630	1,219,385	10,035,015
Gain/(loss) on sale of capital assets					1,776,950	(3,013,686)	(1,236,736)
Transfers					707,351	(707,351)	0
Total general revenues and transfers					110,129,141	(2,501,652)	107,627,489
Change in net assets					57,439,594	785,383	58,224,977
Net assets as of January 1 - restated for changes in accounting principle					327,714,417	46,281,964	373,996,381
Prior period adjustment					397,018	0	397,018
Net assets as of January 1 - restated					328,111,435	46,281,964	374,393,399
Net asset as of December 31					385,551,029	47,067,347	432,618,376

Clark County, Washington
Balance Sheet
Governmental Funds
For the Year Ended December 31, 2001
Major Funds

	General	County Roads	Campus Development Capital Fund	Other Governmental Funds	Total
ASSETS					
Cash, cash equivalents and pooled investments	\$ 12,895,006	\$ 1,942,985	\$ 30,138,449	\$ 67,209,819	\$ 112,186,259
Deposit with fiscal agent	0	0	0	60,000	60,000
Deposit in trust	1,898,782	0	0	41,110	1,939,892
Taxes receivable	41,632,968	25,720,120	0	2,494,296	69,847,384
Special assessments receivable	0	0	0	1,365,530	1,365,530
Interest and penalties receivable	4,425,123	0	0	0	4,425,123
Accounts receivable	1,229,310	1,148,392	0	529,251	2,906,953
Due from other funds	2,572,906	274,148	0	1,137,720	3,984,774
Due from component unit	0	0	0	0	0
Due from other governments	947,965	8,090,247	0	2,700,174	11,738,386
Investments	0	0	0	0	0
Prepaid expenditure	10,506	1,079	0	52,648	64,233
Advance due from other funds	1,008,000	318,291	0	865,129	2,191,420
Notes receivable	0	0	0	4,611,331	4,611,331
Assets in safekeeping	0	0	0	2,614,110	2,614,110
Total assets	66,620,566	37,495,262	30,138,449	83,681,118	217,935,395
LIABILITIES AND FUND BALANCES					
<i>Liabilities</i>					
Warrants and anticipation notes payable	0	0	0	1,193,742	1,193,742
Vouchers payable	1,822,292	1,564,289	246,618	4,728,638	8,361,837
Due to other funds	393,203	379,654	251	3,340,466	4,113,574
Due to other governments	12,850	32,996	38	4,941	50,825
Accrued liabilities	6,625,622	1,215,031	0	2,186,135	10,026,788
Deposits payable	2,177,406	840,867	469,460	786,811	4,274,544
Matured long-term obligations	0	0	0	60,000	60,000
Deferred revenue	46,568,588	25,878,742	0	8,601,142	81,048,472
Advance due to other funds	0	0	0	1,873,129	1,873,129
Total liabilities	57,599,961	29,911,579	716,367	22,775,004	111,002,911
<i>Fund Balances</i>					
Reserved for					
Unreserved - designated, reported in:					
General fund	0	0	0	0	0
Capital project funds	0	0	0	0	0
Prepaid items	10,506	1,079	0	52,648	64,233
Advances	1,008,000	318,291	0	865,129	2,191,420
Debt service	0	0	0	32,142	32,142
Unreserved, undesignated, reported in:					
General fund	8,002,099	7,264,313	0	0	15,266,412
Special revenue funds	0	0	0	30,429,067	30,429,067
Capital project funds	0	0	29,422,082	29,527,128	58,949,210
Total fund balances	9,020,605	7,583,683	29,422,082	60,906,114	\$ 106,932,484
Total liabilities and fund balance	\$ 66,620,566	\$ 37,495,262	\$ 30,138,449	\$ 83,681,118	

CLARK COUNTY, WASHINGTON

Reconciliation of the Balance Sheet of Governmental Funds To the Statement of Net Assets For the Year Ended December 31, 2001

Total fund balances as shown on the Governmental Funds Balance Sheet:	\$ 106,932,484	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. This amount reflects the initial investment in capital assets, including construction in progress at 12/31/01 . (This amount does not i	298,997,154	
Life to date depreciation on capital assets is reflected in the statement of net ass	(25,534,896)	
Other long-term assets are not available to pay for current-period expenditures and, therefore are deferred in the funds.	80,384,166	
Internal service funds are used to charge the costs of services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	26,062,995	
Long-term liabilities that are not due and payable in the current period and are not reported in the funds.	(101,290,874)	
Change in net assets, as reflected on the Statement of Net Assets:	<table border="1"><tr><td>\$ 385,551,029</td></tr></table>	\$ 385,551,029
\$ 385,551,029		

Clark County, Washington

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended December 31, 2001

	Major Funds			Other	
	General	County	Campus	Governmental	Total
	Fund	Roads	Development	Funds	
			Capital Fund		
Revenues:					
Property taxes	\$ 38,156,662	\$ 22,325,721	\$ 0	\$ 2,249,757	\$ 62,732,140
Sales and use taxes	16,003,955	0	0	5,466,920	21,470,875
Other taxes	3,987,183	154,839	0	6,478,856	10,620,878
Licenses & permits	940,769	241,412	0	3,311,447	4,493,628
Intergovernmental	12,428,168	26,497,751	0	35,816,638	74,742,557
Charges for services	12,264,422	2,991,964	0	13,426,315	28,682,701
Fines & forfeitures	2,798,381	6,300	0	201,199	3,005,880
Interest earnings	3,534,959	40,989	721,808	3,553,328	7,851,084
Donations	9,914	41,282	0	1,164,787	1,215,983
Other revenues	293,953	184,679	0	2,882,405	3,361,037
Total revenues	90,418,366	52,484,937	721,808	74,551,652	218,176,763
Expenditures:					
Current:					
General government	29,202,050	65,328	0	2,254,614	31,521,992
Public safety	43,285,848	209,068	0	5,110,596	48,605,512
Judicial	6,597,690	0	0	0	6,597,690
Physical environment	50,482	0	0	1,761,600	1,812,082
Transportation	23,836	57,739,066	0	717,007	58,479,909
Economic environment	75,000	0	0	16,244,768	16,319,768
Health and human services	1,867,809	0	0	23,970,833	25,838,642
Culture & recreation	3,230,236	0	0	2,963,637	6,193,873
Capital outlay	0	0	12,958,012	8,991,516	21,949,528
Debt service:					
Principal	17,762	0	0	4,693,039	4,710,801
Interest and other charges	1,226	66,978	437,083	4,479,666	4,984,953
Total expenditures	84,351,939	58,080,440	13,395,095	71,187,276	227,014,750
Excess (deficiency) of revenues over (under) expenditures	6,066,427	(5,595,503)	(12,673,287)	3,364,376	(8,837,987)
Other Financing Sources (Uses):					
Issuance of long term debt	0	750,000	37,090,000	0	37,840,000
Sale of capital assets	791,767	2,328,574	0	39,396	3,159,737
Transfers in	7,040,636	6,739,616	4,500,000	21,781,083	40,061,335
Transfers out	(17,675,160)	(71,440)	0	(21,595,101)	(39,341,701)
Total other financing sources (uses)	(9,842,757)	9,746,750	41,590,000	225,378	41,719,371
Net change in fund balances	(3,776,330)	4,151,247	28,916,713	3,589,754	32,881,384
Fund balance as of January 1 - restated for changes in accounting principle	12,796,935	2,457,450	505,369	57,894,328	73,654,082
Prior period adjustment	0	974,986	0	(577,968)	397,018
Fund balance as of January 1 - restated	12,796,935	3,432,436	505,369	57,316,360	74,051,100
Fund balance as of December 31	\$ 9,020,605	\$ 7,583,683	\$ 29,422,082	\$ 60,906,114	\$ 106,932,484

CLARK COUNTY, WASHINGTON
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended December 31, 2001

Net change in fund balances as shown on Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance:	\$ 32,881,384
Governmental funds report capital outlays as expenditures and proceeds from the sale of capital assets as revenues. In the Statement of Activities the cost of those assets is capitalized and depreciated over the period of the asset's useful life. When capital assets are disposed of, the difference between original cost and depreciation, and the proceeds are booked as a gain or (loss) on the sale. This entry takes into account the differences in how capital costs are treated between the Statement of Activities and the governmental fund statements.	53,756,869
Internal service fund expenses are allocated to other funds. The net expense of certain internal service fund activities is reported with governmental activities on the Statement of Activities.	306,454
The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This entry is the net effect of these differences in the treatment of long-term debt issuance and payments.	(32,694,810)
Governmental funds report revenue in the current period for revenues deferred in prior periods since they were not available financing sources at the time. Government-wide statements record revenues at the time they are earned. This amount accounts for the change in deferred revenues during 2001.	4,005,317
Some expenses reported in the statement of activities do not require the use of current financial resources, and accordingly, are not reported as expenditures in governmental funds. This entry includes two items: 1) \$443,922 in accrued interest expense and 2) \$371,698 in accrued liabilities.	(815,620)
Change in net assets, as reflected on the Statement of Activities	\$ 57,439,594

Clark County, Washington
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2001

	Original 2001/2002 <u>Budget</u>	Final 2001/2002 <u>Budget</u>	Actual Biennium-To- <u>Date</u>	Variance with Final Budget Positive <u>(Negative)</u>
<u>Revenues:</u>				
Taxes	\$120,017,663	\$120,047,663	\$ 58,147,800	\$ (61,899,863)
Licenses & permits	1,573,500	1,483,500	940,769	(542,731)
Intergovernmental	22,463,403	22,399,241	12,428,168	(9,971,073)
Charges for services	22,767,087	24,521,823	12,264,422	(12,257,401)
Fines & forfeitures	5,929,227	5,929,227	2,798,381	(3,130,846)
Miscellaneous	7,395,616	7,401,616	3,838,826	(3,562,790)
Total revenues	180,146,496	181,783,070	90,418,366	(91,364,704)
<u>Expenditures</u>				
General government	67,253,531	67,719,961	29,202,050	38,517,911
Public safety	83,969,786	85,163,632	43,285,848	41,877,784
Judicial	12,440,576	12,686,399	6,597,690	6,088,709
Physical environment	92,894	98,240	50,482	47,758
Transportation	85,907	135,107	23,836	111,271
Economic environment	149,000	150,000	75,000	75,000
Health and human services	3,771,860	3,774,070	1,867,809	1,906,261
Culture and recreation	6,866,020	7,054,130	3,230,236	3,823,894
Debt service-principal	26,794	1,160,794	17,762	1,143,032
Debt service-interest	0	123,000	1,226	121,774
Total expenditures	174,656,368	178,065,333	84,351,939	93,713,394
Excess (deficiency) of revenues over expenditures	5,490,128	3,717,737	6,066,427	2,348,690
Sale of capital assets	827,936	827,936	791,767	(36,169)
Transfers in	14,727,986	15,810,430	7,040,636	(8,769,794)
Transfers out	(21,030,426)	(26,454,419)	(17,675,160)	8,779,259
Excess (deficiency) of revenues other sources over expenditures	15,624	(6,098,316)	(3,776,330)	2,321,986
Fund Balance as of January 1	0	7,049,102	12,796,935	5,747,833
Fund balance as of December 31	\$ 15,624	\$ 950,786	\$ 9,020,605	\$ 8,069,819

Clark County, Washington

General Fund

**Statement of Revenues - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2001**

	Original 2001/2002 Budget	Final 2001/2002 Budget	Actual Biennium-To- Date	Variance with Final Budget Positive (Negative)
General property taxes	\$ 79,085,240	\$ 79,085,240	\$ 38,156,662	\$ (40,928,578)
Retail sales and use taxes	32,487,484	32,487,484	16,003,955	\$ (16,483,529)
Excise and other taxes	2,183,615	2,183,615	1,037,620	\$ (1,145,995)
Penalties and interest on delinquent taxes	6,261,324	6,291,324	2,949,563	\$ (3,341,761)
Total taxes	120,017,663	120,047,663	58,147,800	\$ (61,899,863)
Business licenses and permits	1,261,500	1,261,500	851,962	\$ (409,538)
Non-business licenses and permits	312,000	222,000	88,807	\$ (133,193)
Total licenses and permits	1,573,500	1,483,500	940,769	\$ (542,731)
Federal grants -- direct	145,840	343,437	1,117,418	\$ 773,981
Federal entitlements	34,313	34,313	18,825	\$ (15,488)
Federal grants -- indirect	4,614,618	5,023,680	1,451,554	\$ (3,572,126)
State grants	3,770,382	3,883,637	2,382,051	\$ (1,501,586)
State shared revenues	3,077,483	3,077,483	1,605,054	\$ (1,472,429)
State entitlements	4,399,048	4,399,048	3,035,845	\$ (1,363,203)
Interlocal grants	26,000	26,000	68,887	\$ 42,887
Intergovernmental revenues	6,395,719	5,611,643	2,748,534	\$ (2,863,109)
Total intergovernmental	22,463,403	22,399,241	12,428,168	\$ (9,971,073)
General government fees	9,954,173	11,880,459	6,437,105	\$ (5,443,354)
Security of persons & property	2,744,468	2,901,468	1,528,813	\$ (1,372,655)
Physical environment	40,000	40,000	24,506	\$ (15,494)
Transportation	0	49,200	60,018	\$ 10,818
Economic environment	127,930	127,930	57,072	\$ (70,858)
Mental & physical health	41,500	86,500	35,209	\$ (51,291)
Culture and recreation	230,000	230,000	171,106	\$ (58,894)
Internal service fund revenues	0	0	12,891	\$ 12,891
Interfund revenues	9,629,016	9,206,266	3,937,702	\$ (5,268,564)
Total charges for services	22,767,087	24,521,823	12,264,422	\$ (12,257,401)
Fines and forfeitures	5,929,227	5,929,227	2,798,381	\$ (3,130,846)
Total fines & forfeitures	5,929,227	5,929,227	2,798,381	\$ (3,130,846)
Interest earnings	7,089,123	7,089,123	3,534,959	\$ (3,554,164)
Rents and royalties	164,780	164,780	93,297	\$ (71,483)
Insurance recoveries	96,000	96,000	22,368	\$ (73,632)
Donations	17,400	17,400	9,914	\$ (7,486)
Other revenues	28,313	34,313	178,288	\$ 143,975
Total miscellaneous	7,395,616	7,401,616	3,838,826	\$ (3,562,790)
Total revenues	\$ 180,146,496	\$ 181,783,070	\$ 90,418,366	\$ (91,364,704)

Clark County, Washington**General Fund****Statement of Expenditures - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2001**

	Original 2001/2002 <u>Budget</u>	Final 2001/2002 <u>Budget</u>	Actual Biennium-to- <u>Date</u>	Variance with Final Budget <u>Positive(Negative)</u>
<u>General government</u>				
<u>Assessor</u>				
Personal Services	\$ 5,307,693	\$ 5,307,693	\$ 2,831,048	\$ 2,476,645
Supplies	40,988	40,988	20,728	20,260
Other Services and Charges	421,958	421,958	154,386	267,572
Interfund Payment for Services	244,800	244,800	116,390	128,410
Total Assessor	6,015,439	6,015,439	3,122,552	2,892,887
<u>Auditor</u>				
Personal Services	4,187,543	4,459,537	2,187,198	2,272,339
Supplies	47,600	47,600	35,583	12,017
Other Services and Charges	629,955	639,955	173,462	466,493
Interfund Payment for Services	149,200	149,200	79,195	70,005
Total Auditor	5,014,298	5,296,292	2,475,438	2,820,854
<u>Treasurer</u>				
Personal Services	2,373,717	2,454,356	1,275,804	1,178,552
Supplies	8,000	9,365	7,062	2,303
Other Services and Charges	288,256	304,102	131,248	172,854
Interfund Payment for Services	81,400	81,400	52,429	28,971
Total Treasurer	2,751,373	2,849,223	1,466,543	1,382,680
<u>Bank Fees</u>				
Other Services and Charges	604,373	604,373	277,061	327,312
Total Bank Fees	604,373	604,373	277,061	327,312
<u>Prosecuting Attorney</u>				
Personal Services	9,594,167	9,605,953	4,996,101	4,609,852
Supplies	96,888	111,588	72,854	38,734
Other Services and Charges	416,300	426,175	238,372	187,803
Interfund Payment for Services	267,264	269,514	134,881	134,633
Total Prosecuting Attorney	10,374,619	10,413,230	5,442,208	4,971,022
<u>Child Support Enforcement</u>				
Personal Services	2,162,691	2,162,691	993,476	1,169,215
Supplies	6,300	6,300	2,517	3,783
Other Services and Charges	304,700	304,700	147,702	156,998
Interfund Payment for Services	15,000	15,000	43,055	(28,055)
Total Child Support Enforcement	\$ 2,488,691	\$ 2,488,691	\$ 1,186,750	\$ 1,301,941

Clark County, Washington**General Fund****Statement of Expenditures - Budget (GAAP Basis) and Actual
For the year ended December 31, 2001**

	Original 2001/2002 Budget	Final 2001/2002 Budget	Actual Biennium-to- Date	Variance with Final Budget Positive(Negative)
<u>Commissioners</u>				
Personal Services	\$ 1,721,482	\$ 1,798,882	\$ 852,372	\$ 946,510
Supplies	9,500	9,500	6,402	3,098
Other Services and Charges	94,300	94,300	54,114	40,186
Interfund Payment for Services	44,400	44,400	20,309	24,091
Total Commissioners	1,869,682	1,947,082	933,197	1,013,885
<u>Office of Budget</u>				
Personal Services	7,379,584	7,444,662	3,581,156	3,863,506
Supplies	1,718,504	1,718,504	1,065,945	652,559
Other Services and Charges	3,245,444	3,269,644	1,232,336	2,037,308
Interfund Payment for Services	241,900	241,900	107,824	134,076
Total Office of Budget	12,585,432	12,674,710	5,987,261	6,687,449
<u>Countywide Services</u>				
Personal Services	584,028	584,028	304,389	279,639
Supplies	87,482	87,482	32,603	54,879
Other Services and Charges	1,837,323	1,757,713	638,860	1,118,853
Intergovernmental	300,000	260,000	45,780	214,220
Interfund Payment for Services	75,200	75,200	13,509	61,691
Total Countywide Services	2,884,033	2,764,423	1,035,141	1,729,282
<u>Human Resources</u>				
Personal Services	1,393,593	1,360,188	754,427	605,761
Supplies	30,400	30,400	5,148	25,252
Other Services and Charges	347,538	347,538	189,448	158,090
Interfund Payment for Services	44,200	44,200	21,806	22,394
Total Human Resources	1,815,731	1,782,326	970,829	811,497
<u>Loss Control</u>				
Personal Services	460,124	460,124	253,235	206,889
Supplies	40,750	40,750	33,353	7,397
Other Services and Charges	8,600	8,600	6,585	2,015
Interfund Payment for Services	11,800	11,800	7,254	4,546
Total Loss Control	521,274	521,274	300,427	220,847
<u>General Services</u>				
Personal Services	1,549,234	1,549,234	815,255	733,979
Supplies	159,850	159,850	63,504	96,346
Other Services and Charges	1,148,518	1,148,518	557,249	591,269
Interfund Payment for Services	55,960	55,960	26,753	29,207
Total General Services	\$ 2,913,562	\$ 2,913,562	\$ 1,462,761	\$ 1,450,801

Clark County, Washington**General Fund****Statement of Expenditures - Budget (GAAP Basis) and Actual
For the year ended December 31, 2001**

	Original 2001/2002 Budget	Final 2001/2002 Budget	Actual Biennium-to- Date	Variance with Final Budget Positive(Negative)
<u>Public Information & Outreach</u>				
Personal Services	\$ 818,817	\$ 708,129	\$ 382,389	\$ 325,740
Supplies	7,775	7,775	5,376	2,399
Other Services and Charges	52,797	52,797	21,364	31,433
Interfund Payment for Services	31,800	31,800	14,286	17,514
Total Public Information & Outreach	911,189	800,501	423,415	377,086
<u>Board of Equalization</u>				
Personal Services	193,778	193,778	85,249	108,529
Supplies	2,440	2,440	1,149	1,291
Other Services and Charges	34,519	34,519	17,567	16,952
Intergovernmental	15,071	15,071	5,429	9,642
Interfund Payment for Services	9,040	9,040	3,607	5,433
Total Board of Equalization	254,848	254,848	113,001	141,847
<u>Indigent Defense</u>				
Other Services and Charges	6,314,219	6,359,219	3,103,235	3,255,984
Total Indigent Defense	6,314,219	6,359,219	3,103,235	3,255,984
<u>Miscellaneous</u>				
Personal Services	5,168,941	5,168,941	(25)	5,168,966
Supplies	10,000	10,000	1,520	8,480
Other Services and Charges	2,227,500	2,327,500	77,848	2,249,652
Intergovernmental	310,754	338,490	14,102	324,388
Interfund Payment for Services	2,217,573	2,189,837	808,786	1,381,051
Total Miscellaneous	9,934,768	10,034,768	902,231	9,132,537
Total general government	67,253,531	67,719,961	29,202,050	38,517,911
<u>Judicial</u>				
<u>Clerk</u>				
Personal Services	2,867,007	2,867,007	1,542,028	1,324,979
Supplies	24,000	24,000	7,922	16,078
Other Services and Charges	210,112	222,740	124,296	98,444
Interfund Payment for Services	94,800	94,800	50,695	44,105
Total Clerk	3,195,919	3,208,547	1,724,941	1,483,606
<u>District Court</u>				
Personal Services	4,681,646	4,749,947	2,461,510	2,288,437
Supplies	86,972	86,972	56,227	30,745
Other Services and Charges	439,259	439,259	294,890	144,369
Intergovernmental	0	0	0	0
Interfund Payment for Services	168,000	168,000	87,547	80,453
Total District Court	\$ 5,375,877	\$ 5,444,178	\$ 2,900,174	\$ 2,544,004

Clark County, Washington**General Fund****Statement of Expenditures - Budget (GAAP Basis) and Actual
For the year ended December 31, 2001**

	Original 2001/2002 <u>Budget</u>	Final 2001/2002 <u>Budget</u>	Actual Biennium-to- <u>Date</u>	Variance with Final Budget <u>Positive(Negative)</u>
<u>Superior Court</u>				
Personal Services	\$ 2,952,384	\$ 3,021,278	\$ 1,506,925	\$ 1,514,353
Supplies	110,453	116,453	46,417	70,036
Other Services and Charges	707,943	797,943	371,656	426,287
Interfund Payment for Services	98,000	98,000	47,577	50,423
Total Superior Court	3,868,780	4,033,674	1,972,575	2,061,099
Total judicial	12,440,576	12,686,399	6,597,690	6,088,709
<u>Public safety</u>				
<u>Juvenile</u>				
Personal Services	8,492,733	9,062,860	4,596,159	4,466,701
Supplies	102,384	102,384	74,185	28,199
Other Services and Charges	1,737,049	2,358,778	726,784	1,631,994
Interfund Payment for Services	262,270	262,270	191,505	70,765
Total Juvenile	10,594,436	11,786,292	5,588,633	6,197,659
Early Intervention				
Other Services and Charges	455,196	0	0	0
Total Early Intervention	455,196	0	0	0
<u>Sheriff</u>				
Personal Services	25,782,496	25,833,358	13,848,847	11,984,511
Supplies	479,152	446,399	406,638	39,761
Other Services and Charges	2,501,673	2,907,499	1,719,074	1,188,425
Intergovernmental	0	600	0	600
Interfund Payment for Services	2,846,707	2,738,010	1405822	1,332,188
Total Sheriff	31,610,028	31,925,866	17,380,381	14,545,485
<u>Jail</u>				
Personal Services	19,660,054	19,579,254	10,099,620	9,479,634
Supplies	1,322,600	1,570,871	903,252	667,619
Other Services and Charges	3,251,392	3,195,671	1,680,025	1,515,646
Interfund Payment for Services	223,800	234,300	100,490	133,810
Total Jail	24,457,846	24,580,096	12,783,387	11,796,709
<u>Emergency Medical Services</u>				
Intergovernmental	2,275,000	2,275,000	1,032,638	1,242,362
Total Emergency Medical Services	\$ 2,275,000	\$ 2,275,000	\$ 1,032,638	\$ 1,242,362

Clark County, Washington**General Fund****Statement of Expenditures - Budget (GAAP Basis) and Actual
For the year ended December 31, 2001**

	Original 2001/2002 Budget	Final 2001/2002 Budget	Actual Biennium-to- Date	Variance with Final Budget Positive(Negative)
<u>Community Corrections</u>				
Personal Services	\$ 7,212,290	\$ 7,212,290	\$ 3,764,201	\$ 3,448,089
Supplies	392,719	392,719	110,911	281,808
Other Services and Charges	310,290	310,290	271,856	38,434
Interfund Payment for Services	891,981	911,079	441,776	469,303
Total Community Corrections	8,807,280	8,826,378	4,588,744	4,237,634
<u>Miscellaneous</u>				
Other Services and Charges	3,020,000	3,020,000	1,362,880	1,657,120
Intergovernmental	2,750,000	2,750,000	549,185	2,200,815
Total Miscellaneous	5,770,000	5,770,000	1,912,065	3,857,935
Total public safety	83,969,786	85,163,632	43,285,848	41,877,784
<u>Community Development</u>				
Intergovernmental	92,894	98,240	50,482	47,758
Total Community Development	92,894	98,240	50,482	47,758
Total physical environment	92,894	98,240	50,482	47,758
<u>Lewis & Clark Railroad</u>				
Supplies	0	0	49	(49)
Other Services and Charges	44,907	69,507	23,532	45,975
Capital Outlays	35,000	35,000	0	35,000
Interfund Payment for Services	6,000	30,600	255	30,345
Total Lewis & Clark Railroad	85,907	135,107	23,836	111,271
Total transportation	85,907	135,107	23,836	111,271
<u>Community Development</u>				
Intergovernmental	149,000	150,000	75,000	75,000
Total Community Development	149,000	150,000	75,000	75,000
Total economic environment	149,000	150,000	75,000	75,000
<u>Health District</u>				
Intergovernmental	2,645,067	2,645,067	1,322,534	1,322,533
Total Health District	2,645,067	2,645,067	1,322,534	1,322,533
<u>Medical Examiner</u>				
Personal Services	908,490	908,490	480,723	427,767
Supplies	25,720	27,930	8,848	19,082
Other Services and Charges	144,256	144,256	34,271	109,985
Interfund Payment for Services	48,327	48,327	21,433	26,894
Total Medical Examiner	1,126,793	1,129,003	545,275	583,728
Total health and human services	\$ 3,771,860	\$ 3,774,070	\$ 1,867,809	\$ 1,906,261

Clark County, Washington**General Fund****Statement of Expenditures - Budget (GAAP Basis) and Actual
For the year ended December 31, 2001**

	Original 2001/2002 Budget	Final 2001/2002 Budget	Actual Biennium-to- Date	Variance with Final Budget Positive(Negative)
<u>Cable Television</u>				
Intergovernmental	\$ 706,895	\$ 706,895	\$ 353,703	\$ 353,192
Total Cable Television	706,895	706,895	353,703	353,192
<u>Cooperative Extension Service</u>				
Personal Services	239,997	239,997	112,947	127,050
Supplies	47,143	50,593	19,094	31,499
Other Services and Charges	537,652	660,547	309,891	350,656
Interfund Payment for Services	56,200	56,200	29,300	26,900
Total Cooperative Extension Service	880,992	1,007,337	471,232	536,105
<u>Parks</u>				
Intergovernmental	2,654,458	2,654,458	1,115,688	1,538,770
Total Parks	2,654,458	2,654,458	1,115,688	1,538,770
<u>Parks Operations</u>				
Personal Services	1,478,836	1,502,462	748,535	753,927
Supplies	294,601	304,304	129,570	174,734
Other Services and Charges	392,947	408,570	190,374	218,196
Interfund Payment for Services	457,291	470,104	221,134	248,970
Total Parks Operations	2,623,675	2,685,440	1,289,613	1,395,827
Total culture and recreation	6,866,020	7,054,130	3,230,236	3,823,894
Debt service -principal	26,794	1,160,794	17,762	1,143,032
Debt service - interest	0	123,000	1,226	121,774
Total expenditures:	\$174,656,368	\$178,065,333	\$84,351,939	\$ 93,713,394

Clark County, Washington
County Roads

Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2001

	Original 2001/2002 Budget	Final 2001/2002 Budget	Actual Biennium -To- Date	Variance with Final Budget Positive (Negative)
Revenues				
General property taxes	\$ 48,457,492	\$48,457,492	\$ 22,325,721	\$(26,131,771)
Timber harvest	358,178	358,178	144,295	(213,883)
Excise and other taxes	14,000	14,000	10,544	(3,456)
Total taxes	48,829,670	48,829,670	22,480,560	(26,349,110)
Business licenses and permits	34,000	34,000	201,127	167,127
Non-business licenses and permits	90,211	90,211	40,285	(49,926)
Total licenses & permits	124,211	124,211	241,412	117,201
State grants	10,297,244	10,297,244	7,104,289	(3,192,955)
State shared revenues	8,000	8,000	2	(7,998)
State entitlements	10,885,874	10,885,874	5,391,792	(5,494,082)
Federal grants -- indirect	13,985,923	13,985,923	13,962,917	(23,006)
Federal entitlements	8,657	8,657	9,210	553
Interlocal grants	32,000	32,000	29,541	(2,459)
Total intergovernmental	35,217,698	35,217,698	26,497,751	(8,719,947)
Interfund revenues	2,811,918	1,983,584	1,364,807	(618,777)
Physical environment	30,000	30,000	850,290	820,290
General government fees	20,146	20,146	8,269	(11,877)
Economic environment	74,000	74,000	65,563	(8,437)
Transportation	1,682,920	2,237,480	703,035	(1,534,445)
Total charges for services	4,618,984	4,345,210	2,991,964	(1,353,246)
Fines and forfeitures	0	0	6,300	6,300
Total fines & forfeitures	0	0	6,300	6,300
Rents and royalties	42,800	42,800	26,498	(16,302)
Donations	0	0	41,282	41,282
Insurance recoveries	0	0	150,250	150,250
Interest earnings	60,003	183,003	40,989	(142,014)
Other revenues	20,000	20,000	7,931	(12,069)
Total miscellaneous	122,803	245,803	266,950	21,147
Total revenues	88,913,366	88,762,592	52,484,937	(36,277,655)
Expenditures				
General government				
Supplies	0	0	29	(29)
Other services and charges	183,100	183,100	39,592	143,508
Interfund payment for services	46,900	46,900	25,707	21,193
Total general government	\$ 230,000	\$ 230,000	\$ 65,328	\$ 164,672

Clark County, Washington**County Roads****Statement of Revenues, Expenditures, and Changes in Fund Balances****Budget (GAAP Basis) and Actual****For the Year Ended December 31, 2001**

	Original 2001/2002 Budget	Final 2001/2002 Budget	Actual Biennium -To- Date	Variance with Final Budget Positive (Negative)
Public Safety				
Personal services	\$ 228,401	\$ 228,401	\$ 123,068	\$ 105,333
Supplies	4,750	4,750	2,741	2,009
Other services and charges	21,750	21,750	7,381	14,369
Interfund payment for services	422,630	422,630	75,878	346,752
Total public safety	677,531	677,531	209,068	468,463
Transportation				
Personal services	21,598,499	21,597,655	10,454,247	11,143,408
Supplies	6,257,955	5,895,059	2,651,128	3,243,931
Other services and charges	17,458,050	19,332,002	8,558,444	10,773,558
Intergovernmental	0	0	50,000	(50,000)
Capital outlays	35,464,589	36,924,751	30,084,788	6,839,963
Debt service: principal	100,000	0	0	0
Debt service: interest	0	1,957	1,957	0
Interfund payment for services	13,787,648	13,992,196	5,938,502	8,053,694
Total transportation	94,666,741	97,743,620	57,739,066	40,004,554
Debt service: interest	0	100,000	66,978	33,022
Total expenditures	95,574,272	98,751,151	58,080,440	40,670,711
Excess (deficiency) of revenues over expenditures	(6,660,906)	(9,988,559)	(5,595,503)	4,393,056
Issuance of long-term debt	0	0	750,000	750,000
Sale of capital assets	1,100,000	1,100,000	2,328,574	1,228,574
Transfers in	7,725,000	11,609,221	6,739,616	(4,869,605)
Transfers out	(827,667)	(807,211)	(71,440)	735,771
Interfund loan payments	0	1,134,000	0	(1,134,000)
Excess (deficiency) of revenues and other sources over expenditures	1,336,427	3,047,451	4,151,247	1,103,796
Fund balance as of January 1	0	1,774,826	2,457,450	682,624
Prior period adjustments	0	0	974,986	974,986
Fund balance as of December 31	\$ 1,336,427	\$ 4,822,277	\$ 7,583,683	\$ 2,761,406

Clark County, Washington
Campus Development Capital Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2001

	Original 2001/2002 <u>Budget</u>	Final 2001/2002 <u>Budget</u>	Actual Biennium-To- <u>Date</u>	Variance with Final Budget Positive <u>(Negative)</u>
<u>Revenues</u>				
Interest earnings	\$ 60,850	\$ 1,156,312	\$ 721,808	\$ (434,504)
Total Miscellaneous	60,850	1,156,312	721,808	(434,504)
Total Revenues	60,850	1,156,312	721,808	(434,504)
<u>Expenditures</u>				
General government				
Other services and charges	300,000	5,500,000	2,761,660	2,738,340
Capital outlays	700,000	36,347,000	10,196,352	26,150,648
Debt Service: Interest	0	523,000	437,083	85,917
Total general government	1,000,000	42,370,000	13,395,095	28,974,905
Total expenditures	1,000,000	42,370,000	13,395,095	28,974,905
Excess (deficiency) of revenues over expenditures	(939,150)	(41,213,688)	(12,673,287)	28,540,401
Issuance of long-term debt	0	37,090,000	37,090,000	0
Transfers in	1,000,000	4,500,000	4,500,000	0
Transfers out	0	(1,095,462)	0	1,095,462
Excess (deficiency) of revenues and other sources over expenditures	60,850	(719,150)	28,916,713	29,635,863
Fund Balance as of January 1	0	780,000	505,369	(274,631)
Fund balance as of December 31	\$ 60,850	\$ 60,850	\$ 29,422,082	\$ 29,361,232

Clark County, Washington
Statement of Net Assets
Proprietary Funds
For the Year Ended December 31, 2001

	Business-Type Activities - Enterprise Funds			Governmental Activities
		Non Major		Internal Service
Assets	Sanitary Sewer	Enterprise Funds	Total	Funds
Current assets				
Cash, cash equivalents and pooled investments	\$ 8,206,217	\$ 11,284,509	\$ 19,490,726	\$ 17,840,777
Receivables, net	10,781	651,033	661,814	768,620
Due from other funds	0	771	771	622,619
Due from other governments	547,580	47,787	595,367	0
Inventory (at cost)	0	0	0	519,729
Prepaid expense	0	3,084	3,084	24,801
Total current assets	8,764,578	11,987,184	20,751,762	19,776,546
Noncurrent assets				
Contracts receivable	44,486,643	0	44,486,643	0
Restricted assets - pooled investments		0	0	0
Capital assets				
Land	0	1,312,139	1,312,139	44,721
Buildings	28,366	372,415	400,781	107,426
Improvements other than buildings	74,197,572	1,740,903	75,938,475	1,338,489
Machinery & equipment	226,903	0	226,903	18,302,493
Construction in progress	199,218	122,426	321,644	495,588
Less accumulated depreciation	(5,956,259)	(614,090)	(6,570,349)	(10,671,550)
Total noncurrent assets	113,182,443	2,933,793	116,116,236	9,617,167
Total assets	121,947,021	14,920,977	136,867,998	29,393,713
Liabilities				
Current liabilities				
Accounts payable	114,040	74,603	188,643	591,031
Due to other funds	9,662	494,089	503,751	85,587
Due to other governments	3,700	515	4,215	5,762
Accrued liabilities	432,952	63,743	496,695	285,960
Bonds, notes and loans payable	2,458,825	180,000	2,638,825	0
Total current liabilities	3,019,179	812,950	3,832,129	968,340
Noncurrent liabilities				
Deferred revenue - HDSD	44,486,643	0	44,486,643	0
Compensated absences	0	96,072	96,072	200,350
Accrued Claims Payable	0	0	0	2,162,028
Advance due to other governments	2,450,498	0	2,450,498	0
Bonds, notes and loans payable (net of discounts)	37,835,309	1,100,000	38,935,309	0
Total noncurrent liabilities	84,772,450	1,196,072	85,968,522	2,362,378
Total liabilities	87,791,629	2,009,022	89,800,651	3,330,718
Net Assets				
Invested in capital assets, net of related debt	25,951,168	1,653,793	27,604,961	9,617,167
Unrestricted	8,204,224	11,258,162	19,462,386	16,445,828
Total net assets	\$ 34,155,392	\$ 12,911,955	\$ 47,067,347	\$ 26,062,995

Clark County, Washington

**Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds**

For the Year Ended December 31, 2001

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Sanitary Sewer	Non Major Enterprise Funds	Total	Internal Service Funds
OPERATING REVENUES				
Charges for services:				
Sewer charges pledged as security for revenue bonds	\$ 5,054,925	\$ 0	\$ 5,054,925	\$ 0
Other charges for services	1,878,946	5,673,628	7,552,574	11,420,250
Miscellaneous	0	0	0	2,650,336
Total operating revenues	6,933,871	5,673,628	12,607,499	14,070,586
OPERATING EXPENSES				
Personal services	705,805	1,227,847	1,933,652	4,756,997
Contractual services	493,929	604,572	1,098,501	898,239
Other supplies and expenses	492,150	1,926,063	2,418,213	7,600,399
Depreciation	1,682,045	93,363	1,775,408	1,612,923
Total operating expenses	3,373,929	3,851,845	7,225,774	14,868,558
Operating income (loss)	3,559,942	1,821,783	5,381,725	(797,972)
NONOPERATING REVENUES (EXPENSES)				
Interest and investment revenue	667,221	552,164	1,219,385	964,540
Operating grant revenue	0	353,449	353,449	0
Miscellaneous revenue	98,140	12,698	110,838	13,537
Gain/(loss) on disposition of capital assets	(2,674,359)	(339,327)	(3,013,686)	0
Interest expense	(2,498,116)	(63,092)	(2,561,208)	(744)
Miscellaneous expense	0	0	0	(17,600)
Total non-operating revenues	(4,407,114)	515,892	(3,891,222)	959,733
Income (loss) before contributions and transfers	(847,172)	2,337,675	1,490,503	161,761
Capital contributions	2,231	0	2,231	156,976
Transfers in	0	3,359,501	3,359,501	4,638,634
Transfers out	(407,910)	(3,658,942)	(4,066,852)	(4,650,917)
Change in net assets	(1,252,851)	2,038,234	785,383	306,454
Net assets as of January 1 - restated for changes in accounting principle	35,408,243	10,873,721	46,281,964	25,756,541
Net assets as of December 31	\$ 34,155,392	\$ 12,911,955	\$ 47,067,347	\$ 26,062,995

Clark County, Washington
Statement of Cash Flows
Proprietary Funds
For the year ended December 31, 2001

	Business-type Activities -- Enterprise Funds			Governmental Activities
	Sanitary Sewer	Non Major Enterprise Funds	Totals	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 6,936,911	\$ 5,963,294	\$ 12,900,205	\$ 843,837
Receipts from interfund services provided	1,338	80,530	81,868	13,529,896
Payments to suppliers	(731,488)	(705,189)	(1,436,677)	(9,497,283)
Payments to employees	(705,805)	(1,203,972)	(1,909,777)	(4,688,234)
Payments for interfund services used	(265,451)	(1,713,354)	(1,978,805)	(565,954)
Payments on claims and judgments	0	0	0	(760,794)
Miscellaneous receipts	0	0	0	119,460
Miscellaneous payments	(60,883)	(1,697)	(62,580)	0
Net cash provided (used) by operating	5,174,622	2,419,612	7,594,234	(1,019,072)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating grants received	0	351,446	351,446	0
Transfers from other funds	0	2,735,133	2,735,133	4,638,634
Transfers to other funds	(407,911)	(3,034,574)	(3,442,485)	(4,650,917)
Debt service:				
Principal on operating debt	0	(175,000)	(175,000)	0
Interest expense on operating debt	0	(63,675)	(63,675)	0
Miscellaneous receipts	98,140	12,698	110,838	13,537
Net cash provided (used) by noncapital financing activities	(309,771)	(173,972)	(483,743)	1,254
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Advance refunding of capital debt	(2,015,741)	0	(2,015,741)	0
Capital contributions	0	0	0	156,976
Purchases of capital assets	(86,378)	(2,250,980)	(2,337,358)	(2,438,366)
Proceeds from sales of capital assets	0	2,238,183	2,238,183	13,298
Principal paid on capital debt	(5,704,564)	0	(5,704,564)	0
Interest paid on capital debt	(2,349,667)	0	(2,349,667)	(744)
Net cash (used) by capital and related financing activities	(10,156,350)	(12,797)	(10,169,147)	(2,268,836)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest earnings	667,221	552,164	1,219,385	964,540
Proceeds from sale of investment	4,628,280	0	4,628,280	0
Net cash provided by investing activities	5,295,501	552,164	5,847,665	964,540
Net increase in cash and cash	4,002	2,785,007	2,789,009	(2,322,114)
Balances as of January 1	8,202,215	8,499,502	16,701,717	20,162,891
Balances as of December 31	\$ 8,206,217	\$ 11,284,509	\$ 19,490,726	\$ 17,840,777

Clark County, Washington
Statement of Cash Flows
Proprietary Funds
For the year ended December 31, 2001

	Business-type Activities -- Enterprise Funds			Governmental Activities
	Sanitary Sewer	Non Major Enterprise Funds	Totals	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ 3,559,942	\$ 1,821,783	\$ 5,381,725	\$ (797,972)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	1,682,045	93,363	1,775,408	1,612,923
Program loan principal payments	2,231	0	2,231	0
Changes in assets and liabilities:				
Receivables, net	(4,899)	370,196	365,297	253,104
Other receipts	0	0	0	5
Inventories	0	0	0	126,572
Accounts and other payables	(64,697)	113,599	48,902	(310,113)
Accrued expenses	0	20,671	20,671	(1,903,591)
Net cash provided (used) by financing activities	<u>\$ 5,174,622</u>	<u>\$ 2,419,612</u>	<u>\$ 7,594,234</u>	<u>\$ (1,019,072)</u>
Noncash investing, capital, and financing activities				
Loss on transfer of capital assets	(2,674,358)	0	(2,674,358)	0
Capital Asset trade-ins	0	0	0	196,004

Clark County, Washington
Statement of Fiduciary Net Assets
Fiduciary Funds
For the Year Ended December 31, 2001

	Investment Trust Funds	Private Purpose Trust Fund	Agency Funds
Assets			
Cash and cash equivalents	\$ 336,690,885	\$ 67,370	\$ 29,866,237
Cash and deposits in trust	0	0	32,726
Cash and deposits with fiscal agent	0	0	445,000
Receivables:			
Taxes	0	0	278,617,408
Other	0	0	366,792
From other funds	0	0	338,882
From local governments	0	0	435,494
Total receivables	<u>0</u>	<u>0</u>	<u>279,758,576</u>
Investments at fair value			
US treasury state and local government	528,000	0	0
Total investments	<u>528,000</u>	<u>0</u>	<u>0</u>
Other assets	0	0	214,592
Total assets	<u>337,218,885</u>	<u>67,370</u>	<u>310,317,131</u>
Liabilities			
Warrants payable	0	0	22,423,811
Accounts payable and other liabilities	0	0	1,511,216
Due to other funds	0	0	244,134
Due to other governments	0	0	285,819,679
Advance due to other funds	0	0	318,291
Total liabilities	<u>0</u>	<u>0</u>	<u>310,317,131</u>
Net Assets			
Investments held in trust for pool participants	337,218,885	0	0
Investments held in trust for other purposes	0	67,370	0
Total net assets	<u>\$ 337,218,885</u>	<u>\$ 67,370</u>	<u>\$ 0</u>

Clark County Washington
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended December 31, 2001

	Investment Trust Funds	Private Purpose Trust Fund
Additions		
Contributions		
Additions by participants	\$ 521,342,291	\$ 0
Total contributions	<u>521,342,291</u>	<u>0</u>
Investment income		
Net increase in fair value of investments	1,304,234	0
Interest, dividends, and other	<u>0</u>	<u>3,898</u>
Total investment income	1,304,234	3,898
 Total additions	 522,646,525	 3,898
 Deductions		
Payments in accordance with trust agreements	0	4,200
Distributions to participants	<u>447,264,245</u>	<u>0</u>
Total deductions	<u>447,264,245</u>	<u>4,200</u>
 Change in net assets held for individuals, organizations and other governments	 75,382,280	 (302)
Net assets as of January 1	261,836,605	67,672
Net assets as of December 31	<u>\$ 337,218,885</u>	<u>\$ 67,370</u>

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2001

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Clark County have been prepared in conformance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Washington State Auditor's Office has further developed and implemented the Budgeting, Accounting, and Reporting System (BARS) designed to promote uniformity among the cities and counties of Washington. The following is a summary of significant accounting policies for Clark County.

A. Reporting Entity

The Comprehensive Annual Financial Report of Clark County includes the primary government, and one blended component unit for which the County is financially accountable. Blended component units are legally separate entities, but are in substance a part of the County's operations and therefore the data from this unit is combined with the data from the primary government.

Blended Component Unit

The *Industrial Revenue Bond Corporation of Clark County (IRBC)* was established in 1982 with the granting of its charter and appointment of its Board of Directors by the Clark County Board of Commissioners. The Board of County Commissioners comprises the Board of Directors for the public corporation. IRBC is responsible for encouraging industrial development by issuing industrial revenue bonds in accordance with the 1981 Economic Development Act of the State of Washington. Revenue bonds issued by the corporation are payable solely from revenues of the industrial development facility funded by the revenue bonds and are neither a liability nor a contingent liability of Clark County, the IRBC, or any other public entity. There is one bond issue outstanding at December 31, 2001, which amounts to \$8,085,000. IRBC is reported as a special revenue fund. Complete statements for the component unit may be obtained from Clark County.

B. Government Wide and Fund Financial Statements

Government wide financial statements consist of the statement of net assets and the statement of activities. These statements report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separate from business-type activities, which rely to a significant extent on fees and charges for support.

Clark County, Washington

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Additionally, the county's accounting system automatically allocates a portion of its indirect costs to individual functions. These indirect costs have been included as part of the program expenses reported for the various functional activities.

Program revenues include:

- Charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment
- Grants and contributions that are restricted to meeting the operation or capital requirements of a particular function or segment.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund financial statements are used to report additional and more detailed information about the primary government. Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Under this measurement focus, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the fiscal period. Expenditures are generally recorded when the related fund liability is incurred, as under accrual accounting. Exceptions to this general rule include unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Revenues susceptible to accrual are earned interest, certain charges for services, and intergovernmental revenues, such as grants, where program expenditures are the prime factor for determining reimbursement. Other revenues such as sales based taxes, licenses, fines and fees are not considered susceptible for accrual since they are not generally measurable until received. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when the government receives cash.

Clark County, Washington

Clark County reports the following major governmental funds:

- The *General Fund* is the County's primary operating fund. It is used to account for all activities of the general government not accounted for in another fund.
- The *County Road Fund* accounts for the design, construction, and maintenance of County roads.
- The *Campus Development Capital Fund* accounts for the costs associated with campus development, including a new Public Services Center building next to the courthouse.

The County reports one major proprietary fund.

- The *Sanitary Sewer Fund* accounts for all sewer activity including the maintenance and operation of the county's sewer treatment plant and major sewer capital construction projects.

Additionally, the County reports the following fund types:

- *Internal service funds* account for equipment rental, elections, central support, self insurance, building maintenance, retirement benefit reserve, and data processing services provided to other departments or agencies of the government, or to other governments on a cost reimbursement basis.
- The *Private purpose trust fund* accounts for resources legally held in trust to benefit homeless or orphaned children. Only earnings on investments may benefit this activity. The capital portion of the trust must be preserved intact.
- *Investment trust funds* account for the external pooled and non-pooled investments held in behalf of external pool participants in the County's investment program.
- *Agency funds* are custodial in nature and do not present results of operations or have a measurement focus. These funds account for assets that the County holds for others in an agency capacity.

Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitations. The County has elected not to apply subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include a) charges to customers or applicants for goods, services or privileges provided b) operating grants and contributions and c) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Clark County, Washington

Proprietary funds distinguish operating revenues and expenses from nonoperating items.

Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

The principal operating revenues of the sanitary sewer, solid waste, drainage utility, clean water system and the county's internal service funds are charges to customers for sales and services. The sanitary sewer fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of personnel services, contractual services other supplies and expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources, as they are needed.

D. Assets, Liabilities and Net Assets or Equity

1. *Deposits and Investments*

The county's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the government and the district to invest in obligations of the U.S. Treasury, commercial paper, banker's acceptances and certain other government agency obligations. Investments for the government are reported at fair value.

2. *Receivables and payables*

Activity between funds that are representative of lending/borrowing arrangements at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances". Interfund balances between governmental funds and interfund balances between proprietary funds have been eliminated and were not included in the government-wide statement of net assets.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Taxes receivable represents the current year's levy and delinquent taxes accumulated from the previous years. All real property taxes are secured by liens on the corresponding property. Receivables due from other governments include amounts due from grantors for grants issued for specific programs and capital projects.

Sanitary Sewer and Burnt Bridge Creek Utility receivables are recorded for actual amounts billed to customers and not yet paid. Billings are based on both monthly time periods in combination with actual usage and have been billed through December 31, 2001.

Clark County, Washington

3. *Inventories and prepaid items*

Inventories are valued at cost using the first-in, first-out method. The cost of governmental fund-type inventories is recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. *Joint Venture*

The County is a party of one governmental fund joint venture agreement. These are accounted for using the equity method that reflects the County's investment in operations and net worth on the basis of contribution and participation. The equity interests primarily represent interests in capital assets and are reported in the Governmental Fund column of the Statement of Net Assets.

5. *Capital Assets*

Capital assets include land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period. Infrastructure assets are long-lived assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure include roads, bridges, drainage systems, water and sewer systems, and lighting systems. Capital assets are defined by the county as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

When capital assets are purchased, they are capitalized and depreciated in the government-wide financial statements and the proprietary fund statements. Capital assets are recorded as expenditures of the current period in the government fund financial statements.

Capital assets are valued at cost where historical records are available and at an estimated historical cost where no records exist. Donated capital assets are valued at their estimated fair market value on the date received.

Improvements to capital assets that materially add to the value or extend the life of the asset are capitalized. Other repairs and normal maintenance are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Buildings, equipment, and improvements are depreciated using the straight-line method. Estimated useful lives are as follows:

Buildings	- 20 years
Improvements other than buildings	- 10 to 40 years
Light vehicles	- 2 to 5 years
Heavy vehicles and equipment	- 5 to 15 years
Infrastructure	- 20 to 40 years

Clark County, Washington

Machinery and equipment purchased on capital leases are treated as capital assets indicating a constructive or actual transfer of the benefits and risks of ownership to the County, and are valued at the lesser of the fair value of the leased property or the net present value of the minimum lease payments required by the contract.

6. *Compensated Absences*

It is the county's policy to permit employees to accumulate earned but unused vacation and sick leave benefits. All vacation pay is accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The non-current portion for governmental funds is not reported in the governmental fund statements and represents a reconciling item between the fund and government-wide presentations.

Accumulated unpaid sick leave is not earned until taken by the employee, and therefore is recorded at the time used.

7. *Long-term Obligations*

Revenue bonds and other long-term liabilities directly related to and financed from proprietary funds are accounted for in the respective proprietary funds. All other long-term indebtedness of the county is reported in the governmental column of the government-wide statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums, discounts, and issuance costs during the current period. The face amount of debt is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds, is reported as debt service expenditures.

8. *Fund Equity*

Fund equity is recognized as fund balance in governmental fund types, and as net assets in proprietary fund types. Certain fund equity may be reserved for a specific future use, or to denote unavailability for current operations. Designations of fund balance represent tentative management plans that are subject to change. Unless otherwise noted, fund balances and retained earnings (deficits) are unreserved and undesignated.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets.

Clark County, Washington

One element of that reconciliation explains that “other long-term assets are not available to pay for current-period expenditures and, therefore are deferred in the funds.” The details of the \$80,384,166 are as follows:

Unavailable deferred revenue	\$80,574,842
Accrued interest payable	(443,922)
Deferred charges (issuance costs)	253,246
<hr/>	
Net adjustment to increase total governmental funds to arrive at net assets governmental funds	<u><u>\$80,384,166</u></u>

Another element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$101,290,874 are as follows:

Bonds payable	\$99,467,420
Less deferred charge for issuance costs	(181,143)
Capital Lease	7,012
Special assessment debt	413,954
Compensated absences	739,852
Advance due to other government	843,779
<hr/>	
Net adjustment to reduce – total governmental funds to arrive at net assets – governmental activities	<u><u>\$101,290,874</u></u>

A. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. When capital assets are disposed of, the difference between original cost minus depreciation, and the proceeds is booked as a gain or (loss) on the sale. The details of this \$53,756,869 difference are as follows:

Capital outlay	\$60,231,897
Depreciation expense	(5,115,876)
Loss on the sale of capital assets	<u>(1,359,152)</u>
<hr/>	
Net adjustment to increase net changes in fund balance – total governmental funds to arrive at changes in net assets of governmental activities	<u><u>\$53,756,869</u></u>

Clark County, Washington

Another element of that reconciliation states that “the issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$32,694,810 difference are as follows:

Issuance of general obligation bonds	\$37,090,000
Issuance of advance due to other government	750,000
Less discount	(181,143)
Deferred charges	(253,256)
Principal repayments:	
General obligation debt	(4,588,039)
Special assessments	(105,000)
Capital lease	<u>(17,762)</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u><u>(\$32,694,810)</u></u>

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary information

The biennial budget for Clark County is adopted in accordance with the provisions of the Revised Code of Washington (RCW), as interpreted by the Budgeting, Accounting, and Reporting Systems (BARS) of the State of Washington, and on a basis consistent with generally accepted accounting principles. The Board of County Commissioners adopts biennial appropriations for the general, special revenue, and capital project funds. Budgetary constraints for debt service funds are determined by the terms of the debt instruments or enabling legislation.

The Solid Waste Closure Fund was treated for budget purposes as a trust fund, but reported as a special revenue fund due to the change in accounting principles under GASB 34. Therefore, no individual budget statement was presented for this fund. The County will adopt a budget for this fund during 2002.

During the budget process, each county official submits detailed estimates of anticipated revenues and expenditure requests for the ensuing budget years. The budget office compiles this data and makes it available for public comment in early October of the budget adoption year. A recommended budget is published in the third week of November with a public hearing held during the first week in December when the final budget is adopted.

The biennial budget is adopted and systematically monitored on the fund level for special revenue and capital project funds and on a department level for the general fund. Personal service costs in each fund are controlled by position. The acquisition of capital items is approved on an item by item basis in accordance with a long-term capital acquisition plan.

Clark County, Washington

Biennial budgets are amended during the budget years by supplemental appropriation resolutions that are approved by the Board during public meetings. Any revisions, which increase the total appropriation of any fund, are published in the official county newspaper (The Columbian) at least seven days before the public hearing. Revisions approved by the Board during 2001 consisted of awards and modifications of grants, the release of contingency funds to specific programs, and enhanced revenues supporting expanded program requirements. Department heads may transfer budget amounts between certain categories of expenditures (supplies and services) without approval of the Board as long as they do not exceed their total department/fund budget.

A. Deficit fund equity

The following funds exhibit deficit fund balances as of December 31, 2001:

County Building Special Revenue Fund	\$ 1,861,261
CRCA Emergency Services Communication	940,457
Water Quality Special Revenue Fund	265,876
Clark County Fair Special Revenue Fund	586,352
BJA Block Grant	7,927
Tri Mountain Golf Capital	4,606

The General Fund has contingency funds of \$2,000,000 that will be transferred in 2002 to help eliminate the deficit in the County Building Fund. The deficit in the CRCA Emergency Services Communication fund was anticipated because of increased debt service payments and a funding plan is in place to reduce this deficit over the next several years. The deficit in the Water Quality Special Revenue Fund was reduced from \$376,266 in 2001 and should continue to be reduced in 2002 with the collections and transfer of clean water fees to this fund. The Fair's deficit reflects the impact of interest charges on capital and debt, respectively. The Fair is reviewing alternative revenue sources to address these issues. The deficit in the BJA Block Grant Fund will be eliminated in 2002 when block grants funds are received. The Tri-Mountain Golf capital fund's deficit will be eliminated in 2002 with the transfer from the Tri Mountain Golf operating fund.

The following funds exhibit deficit net asset balances as of December 31, 2001:

Central Support Services	\$399,070
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The Central Support Services deficit exists because the full costs of services are not being recouped.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The Clark County Treasurer is empowered by the state to act as the fiduciary agent for the County (as Treasurer) and other taxing districts (as ex-officio Treasurer), which includes the receipt, deposit and prudent investment of public funds as legally prescribed by the laws of the State of Washington.

All receipts received by the Treasurer are deposited into qualified bank depositories as specified by the Washington Public Deposit Protection Commission. Investments may be made in the form of commercial paper, banker's acceptances, U.S. Treasury bills,

Clark County, Washington

notes, and certain other government agency obligations. County policy dictates that all investment instruments other than non-negotiable certificates of deposit and monies placed with the Washington State Local Government Investment Pool be transacted on the delivery versus payment basis.

1. Deposits

Cash and deposits consist of cash and cash equivalents on deposit with the Clark County Treasurer. As of December 31, 2001, the carrying value of deposits was \$2,608,042, and the bank balance was \$3,072,556. These deposits are held at the following financial institutions:

	<u>Book Balance</u>	<u>Bank Balance</u>
Money Market Accounts	1,225,545	1,225,535
Checking Account Balances:		
Bank of America	725,883	1,181,772
First Independent Bank	338,798	347,472
U.S. Bank of Washington	309,728	309,689
Riverview Bank	<u>8,088</u>	<u>8,088</u>
Total	\$2,608,042	\$3,072,556

All of the deposits are either covered by federal depository insurance or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission, and are classified under risk Category 1.

Risk category 1 reflects investments, which are insured, registered, or held by the County or its agent in the County's name. Category 2 includes uninsured and unregistered investments for which the securities are either held by the financial institution's trust department or an agent in the County's name. Category 3 represents uninsured and unregistered investments for which securities are held by the financial institution, its trust department, or agent but not held in the County's name.

2. Equity in Pooled Investments

The County Treasurer administers and maintains an External Investment Pool for county and other jurisdictional governments within the County. This Pool currently has an average maturity of approximately nine months. County monies are invested by certain individual funds for the benefit of the respective fund. Remaining County monies are aggregated in a residual account, and invested in the pool for the benefit of the General fund.

Pooled investments include commercial paper, Municipal Bonds, U.S. Treasury Notes, Federal Agencies, monies invested with the Washington State Local Government Investment Pool, and a money market account. The fair value of the County Pool on December 31, 2001 was \$508,611,903 of which \$1,225,545 is classified as deposits. The total fair value amount is characterized based on the relative risk assumed by the County.

Clark County, Washington

	<u>Category 1</u>	<u>Carrying Value</u>	<u>Fair Value</u>
Equity in Pooled Investments			
Commercial Paper	\$ 9,827,464	\$ 9,827,464	\$ 9,985,900
Municipal Bonds	4,991,150	4,991,150	5,075,275
U.S. Treasury Notes	35,150,586	35,150,586	35,471,875
Federal Agencies	304,978,579	304,978,579	309,406,712
Subtotal	<u>354,947,779</u>	<u>354,947,779</u>	<u>359,939,762</u>
<i>Investments not subject to categorization:</i>			
Washington State Investment Pool	147,446,596	147,446,596	147,446,596
Total equity in pooled investments*	<u>\$ 502,394,375</u>	<u>\$ 502,394,375</u>	<u>\$ 507,386,358</u>

* Fair value of pooled investments does not include adjustments made for accrued interest distributed to pooled participants or for amortized premiums and discounts.

3. *Investments*

Certain funds will direct the County Treasurer to invest funds into specific investment maturities outside of the Clark County Investment Pool. On December 31, 2001, the fair value of the specific investment was \$528,000, which is comprised of U.S. Treasuries. Clark County and other jurisdictional governments within the County had a total investment carrying value on December 31, 2001 of \$502,922,375 for both pooled and non-pooled investments.

	<u>Category 1</u>	<u>Carrying Value</u>	<u>Fair Value</u>
Equity in Investments			
U.S. Treasury State & Local Govt. Series	\$ 528,000	\$ 528,000	\$ 52
Total equity in investments	<u>\$ 528,000</u>	<u>\$ 528,000</u>	<u>\$ 52</u>

4. *External Investment Pool*

The Clark County Treasurer's Office uses "Bloomberg", an on-line financial services system to determine the fair market value of securities purchased on behalf of the Clark County Investment Pool. If Bloomberg does not price a particular security, the Clark County Treasurer's Office obtains three quotes from broker/dealers to determine the fair market value of the security on the specified date. Bloomberg has a pricing model called "Bloomberg Fair Value" (BFV), which establishes an investment's theoretical value, based on where similar bonds, as defined by credit quality and market sector, have traded. This value is not based on market price. BFV incorporates an option adjusted spread methodology in deriving the theoretical value.

Clark County does not report any securities at amortized cost. All securities are reported using the security's fair market value. The Clark County Investment Pool is not SEC-registered. Authority to manage the Clark County Investment Pool is derived from the Revised Code of Washington (RCWs) in RCW 36.29.022.

Regulatory oversight is provided by the Finance Committee, which by statute consists of the Treasurer as Chair, the Auditor as Secretary, and the Chair of the Board of County Commissioners. The committee approves the investment policy and makes all appropriate rules and regulations to carry out the provisions of RCW 36.48.010 through 36.48.060.

Clark County, Washington

Clark County may use an investment advisor, depending on budgetary constraints, on at least an annual basis. During 2001, Clark County contracted with Public Financial Management, Inc. to review the investment portfolio and strategy on a quarterly basis. Clark County also utilizes an Intergovernmental Investment Pool Committee, which is made up of the largest pool participants from the junior taxing districts within Clark County. This committee meets on a quarterly basis, and assists in sharing information to other pool members regarding the pool strategy and the need for cash management information from the participants. The Treasurer's Investment Strategy Committee, which is made up of the Treasurer, the Deputy Treasurer, the Finance Manager, the Asset/Liability Manager, and a Senior Accountant, meet weekly to discuss investment strategies, economic conditions, analysis of yield curve shifts, possible Federal Reserve Board actions, cash flow forecasts, and spreads on various securities. This committee also reviews the fair market value of the Clark County Investment Pool.

The fair value of the Washington State Treasurer's Investment Pool is the same as the value of the pool shares. The State Treasurer, Governor, State Auditor and Joint legislative audit and review committee provide regulatory oversight of the Washington State Treasurer's Investment Pool. There is no involuntary participation in the Clark County Investment Pool.

All participants have the option of investing in the Pool, or requesting specific investment amounts and maturity dates for investments outside of the pool. The Clark County Treasurer provides monthly fair value investment reports on a fund level to all participants through footnote disclosures. This information is based on the Net Asset Value of each share in the Pool, and is based on each funds' month-end investment balance. For 2001, the Clark County Treasurer's Office allocated and reported each participant's share of \$2,072,064 in unrealized gains. The Treasurer allocated and reported the change in fair value on at least a quarterly basis during 2001.

Condensed Statement of Changes in Net Assets Year Ended December 31, 2001
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Changes in net assets resulting from operations	\$ 23,547,364
Distributions to participants	(23,547,364)
Changes in net assets resulting from depositor transactions	124,966,943
Net Assets Available	
Beginning of Year	\$ 388,471,032
End of Year	
Private Purpose Trust Fund	67,370
Internal Funds	176,679,720
External Funds	336,690,885
Total net assets available	\$ 513,437,975

Statement of Net Assets Year Ended December 31, 2001

Assets	
Cash, cash equivalents and pooled investments	\$507,733,378
Accrued Interest Receivable	5,704,597
Total Assets	\$513,437,975
Liabilities	
Distributions payable	0
Total liabilities	0
Net assets held in trust for pool participants	\$513,437,975

Clark County, Washington

A reconciliation of cash, cash equivalents (including pooled investments) and investments as shown in the government wide and fund financial statements is as follows:

Checking Accounts	\$1,382,497
Petty Cash	124,540
Vault Cash	3,500
Registered warrants	1,193,742
Deposits with Fiscal Agent	505,000
Deposits held in Trust	1,972,617
Fair value of Pooled Investments	512,212,431
Money Market (Pooled investments classified as deposits)	1,225,545
Fair value of Investments held outside of the Pool	528,000
Total	<u>\$519,147,872</u>
Cash, cash equivalents, pooled investments	\$151,517,654
Cash, cash equivalents, pooled investments – fiduciary	366,624,492
Cash deposits with fiscal agents - fiduciary	477,726
Investments – fiduciary	528,000
Total	<u>\$519,147,872</u>

B. Property Taxes

Property tax revenues are recognized when they become available, meaning due or past due, and receivable within the current period. Unavailable property taxes are accrued when measurable, but recognition of revenue is deferred until they become available. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied during October for the ensuing year, and are payable in two installments on April 30th and October 31st. Delinquent property taxes accrue interest at twelve percent per annum and are assessed a penalty of from three to eleven percent, depending on the duration of delinquency.

Clark County bills and collects its own property tax, and also bills and collects property taxes for the State of Washington, cities and towns within the county, school districts, fire districts, cemetery districts, and port districts. Such collections are accounted for in Agency Funds.

The County is permitted to levy taxes for general governmental services, subject to two limitations:

- a) Washington State law in RCW 84.55.010 limits the growth of regular property taxes to six percent per year, after adjustments for new construction. If the assessed valuation increases by more than six percent due to revaluation, the levy rate will be decreases.
- b) The Washington State Constitution limits the total regular property taxes to one percent of assessed valuation or \$10 per \$1,000 of value. If the taxes of all districts exceed this amount, each is proportionately reduced until the total is at or below the one percent limit.

The county is also authorized to levy taxes in unincorporated areas for road construction and maintenance. This levy is subject to the same limitations as the levy for general government services.

Clark County, Washington

The maximum amounts which may be levied and the actual 2001 and 2000 levies for the General Fund and the County Road Fund were (per \$1,000 of assessed value):

	Maximum Levy	2002 Actual Levy	2001 Actual Levy
General Fund	\$1.80	\$1.58	\$1.58
County Roads	\$2.25	\$2.13	\$2.18

C. Receivables

Receivables as of year end for the County's individual major funds, nonmajor, internal service and fiduciary funds in the aggregate, including the applicable

	Taxes	Accounts	Special assessment s	Due from other Governments	Interest & Penalties	Total
General	\$ 41,632,968	\$ 1,229,310	\$ 0	\$ 947,965	\$ 4,425,123	\$ 48,235,366
County Road	25,720,120	1,148,392	0	8,090,247	0	34,958,759
Nonmajor governmental	2,494,296	529,251	1,365,530	2,700,174	0	7,089,251
Sanitary Sewer		10,762		547,580	19	558,361
Nonmajor enterprise		651,033		47,787		698,820
Internal service		768,620				768,620
Fiduciary	278,617,408	366,792		774,376		279,758,576
Total						
receivables	<u>\$ 348,464,792</u>	<u>\$ 4,704,160</u>	<u>\$ 1,365,530</u>	<u>\$ 13,108,129</u>	<u>\$ 4,425,142</u>	<u>\$ 372,067,753</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Property taxes receivable (General Fund)	46,057,635	
Property taxes receivable (Road Fund)	25,788,787	
Property taxes receivable (other Governmental funds)	2,556,128	
Revenues received but not yet earned		155,832
Notes and contracts receivable not yet due	4,623,426	
Telephone revenue (General Fund)	183,336	
Special assessments not yet due	1,365,530	
Grants received prior to meeting all eligibility requirements		317,798
Total deferred/unearned revenue for governmental funds.	<u>\$80,574,842</u>	<u>\$473,630</u>

Clark County, Washington

D. Capital Assets

Capital asset activity for the year ended December 31, 2001 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities (in thousands)				
Capital assets, not being depreciated				
Land	\$ 74,689	\$ 8,480	\$ 1,560	\$ 81,609
Construction in progress	<u>37,221</u>	<u>47,371</u>	<u>2,437</u>	<u>82,155</u>
Total capital assets, not being depreciated	<u>111,910</u>	<u>55,851</u>	<u>3,997</u>	<u>163,764</u>
Capital assets, being depreciated:				
Buildings	66,054	4,239	0	70,292
Improvements other than buildings	22,083	316	110	22,289
Machinery and equipment	27,572	3,445	1,567	29,449
Infrastructure	<u>27,689</u>	<u>5,801</u>	<u>0</u>	<u>33,491</u>
Total capital assets being depreciated	<u>143,397</u>	<u>13,801</u>	<u>1,677</u>	<u>155,522</u>
Less accumulated depreciation for:				
Buildings	14,434	2,923	0	17,357
Improvements other than buildings	2,229	641	0	2,870
Machinery and equipment	13,927	3,165	1,112	15,980
Infrastructure	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total accumulated depreciation	<u>30,590</u>	<u>6,729</u>	<u>1,112</u>	<u>36,206</u>
Total capital assets, being depreciated, net	<u>112,808</u>	<u>7,072</u>	<u>565</u>	<u>119,315</u>
Governmental activities capital assets, net	<u>\$ 224,718</u>	<u>\$ 62,923</u>	<u>\$ 4,561</u>	<u>\$ 283,079</u>

Depreciation expense was charged to functions as follows (in thousands):

General governmental services	\$ 3,269
Judicial	27
Public Safety	1,086
Physical Environment	7
Transportation	122
Economic Environment	13
Health and human services	21
Culture and recreation	<u>571</u>
	5,116

In addition, depreciation on capital assets held by the County's internal service funds is charged to the various functions based upon their usage of the assets.

	<u>1,613</u>
Total governmental activities depreciation expense	<u>\$ 6,729</u>

Clark County, Washington

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities (in thousands)				
Capital assets, not being depreciated				
Land	\$ 1,633	\$ 0	\$ 320	\$ 1,312
Construction in progress	257	65	0	322
Total capital assets, not being depreciated	1,889	65	320	1,634
Capital assets, being depreciated:				
Buildings	401	0	0	401
Improvements other than buildings	79,605	772	4,439	75,938
Machinery and equipment	193	34	0	227
Infrastructure	0	0	0	0
Total capital assets being depreciated	80,198	807	4,439	76,566
Less accumulated depreciation for:				
Buildings	182	9	0	191
Improvements other than buildings	5,452	1,758	973	6,237
Machinery and equipment	134	9	0	143
Infrastructure	0	0	0	0
Total accumulated depreciation	5,768	1,775	973	6,570
Total capital assets, being depreciated, net	74,430	(969)	3,466	69,996
Business-type activities capital assets, net	\$ 76,320	\$ (904)	\$ 3,786	\$ 71,630

Depreciation expense was charged to functions as follows (in thousands).

Sanitary Sewer	\$ 1,682
Solid Waste	\$ 20
Water Quality	\$ 73
	\$ 1,775

D. Commitments

The County has construction commitments resulting from active construction projects as of December 31, 2001. The projects include construction of a central administrative building, Padden Parkway, and LaCenter Bridge. At year-end, the government's commitments with contractors are as follows:

Project	Spent-to-Date	Remaining Commitment
County Administrative Building	\$11,900,000	\$30,000,000
Padden Parkway	15,000,000	960,000
LaCenter Bridge #21	6,200,000	500,000
Total	\$33,100,000	\$31,460,000

General obligation bonds are financing the commitment for the administrative building. The commitment for the Padden Parkway and LaCenter Bridge is mainly from federal and state grant funds.

Clark County, Washington

F. Interfund Receivables, Payables And Transfers

The composition of interfund receivables as of December 31, 2001, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Road Fund	\$75,923
	Courthouse Annex	251
	Sanitary Sewer	2,634
	Nonmajor governmental funds	2,452,284
	Internal service funds	9,170
	Nonmajor enterprise funds	3,376
	Fiduciary funds	<u>29,268</u>
		\$2,572,906
Road Fund	General Fund	5,872
	Sanitary Sewer	12
	Non-major governmental funds	6
	Nonmajor enterprise funds	199,716
	Internal service funds	<u>68,542</u>
		\$274,148
Nonmajor governmental funds	General Fund	252,246
	Road Fund	34,354
	Nonmajor governmental funds	571,042
	Nonmajor enterprise funds	268,783
	Internal service funds	3
	Fiduciary funds	<u>11,292</u>
		\$1,137,720
Internal Service Funds	General Fund	129,487
	Road Fund	268,876
	Sanitary Sewer	7,016
	Non-major governmental funds	36,061
	Nonmajor enterprise funds	22,092
	Internal service funds	7,872
	Fiduciary funds	<u>151,215</u>
		\$622,619
Nonmajor enterprise funds	Nonmajor governmental funds	276
	Road Fund	<u>495</u>
		\$771
Fiduciary funds	General Fund	5,598
	Road Fund	6
	Nonmajor governmental funds	280,797
	Nonmajor enterprise funds	122
	Fiduciary funds	<u>52,359</u>
		\$338,882
Total		<u>\$4,947,046</u>

These interfund transactions are the result of interfund transactions that usually involve the exchange of goods and services in a normal business relationship.

Clark County, Washington

Advances – To Be Repaid in More than One Year

To	From	Amount
General Fund	Water Quality Fund	\$1,008,000
Road Fund	Road Guarantee Fiduciary Fund	318,291
REET Fund	CRCA Emergency Services Communication	865,129
		<u>\$2,191,420</u>

Interfund operating transfers represent subsidies and contributions provided to operating funds and capital project funds with no corresponding debt or promise to repay. The purpose of the general fund transfers is to subsidize capital project activities and debt service. Operating transfers out of nonmajor governmental funds generally represent debt service and capital project funding. Interfund transfers occurring between individual major funds, nonmajor governmental, nonmajor enterprise, internal service funds and fiduciary funds of the County during the year ended December 31, 2001 are as follows:

Transfer In							
	<u>General Fund</u>	<u>Road Fund</u>	<u>Campus Development</u>	<u>Nonmajor Governmental</u>	<u>Nonmajor Enterprise</u>	<u>Internal Service</u>	Total
<u>Transfer out:</u>							
General Fund				13,453,614		4,221,546	\$17,675,160
Road Fund	3,044	64,000		4,396			71,440
Saniitary Sewer Nonmajor governmental		43,601		364,309			407,910
Nonmajor enterprise	6,296,675	3,032,015	4,500,000	7,680,122		86,289	21,595,101
Internal service	740,917	3,600,000		278,642	3,359,501	20,799	3,658,942
Total transfers	\$7,040,636	\$6,739,616	\$4,500,000	\$21,781,083	\$3,359,501	\$4,638,634	\$48,059,470

During 2001, there were two significant non-routine and infrequent transfers. The Juvenile Expansion Capital Fund transferred \$1.6 million of unspent bond proceeds to the Campus Development Fund. Additionally, the Equipment Rental and Revolving Fund returned capital amounting to \$3,600,000 and \$500,000 to the Road Fund and General Fund, respectively.

G. Leases

Operating Leases

The County is committed under various leases for buildings, office space, and other equipment. Such leases are considered to be operating leases for accounting purposes.

With the construction of the new public facilities building, the county has not been renewing leases for office space in anticipation of its completion. Lease expenditures for the year ended December 31, 2001 amounted to approximately \$1,302,000. The future minimum lease payments for these leases are:

Clark County, Washington

<u>Year Ending Dec 31</u>	<u>Amount</u>
2002	1,120,000
2003	675,000
2004	386,000
2005	169,000
2006	96,000
Total	2,446,000

H. Long Term Debt

General Obligation Bonds

The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. The original amount of general obligation bonds issued in prior years was \$86,885,000. During the year, general obligation bonds totaling \$37,090,000 were issued for constructing an office building and parking facility and renovating the existing county facilities.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as 20-year serial bonds with equal amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

Description	Amount Outstanding
\$7,130,000 1992 Limited Tax General Obligation and Refunding Bonds due in annual installments of \$80,000 to \$930,000 through 2005; interest from 3% to 5.75%. The General Fund services this issue.	\$2,060,000
\$5,010,000 1993 Limited Tax General Obligation Bonds due in annual installments of \$155,000 to \$365,000 through 2013; interest from 4.0% to 5.125%. The General Fund and the Sewer Enterprise Fund are servicing this issue.	3,055,000
\$13,920,000 1994 Limited Tax General Obligation Bonds due in annual installments of \$235,000 to \$1,550,000 through 2009; interest from 4.0% to 6.75%. This issue is being serviced by the "911" CRCA Special Revenue Fund (36%) and the Conservation Futures Capital Fund (64%).	9,250,000
\$9,535,000 1996 Limited Tax General Obligation and Refunding Bonds due in annual installments of \$240,000 to \$920,000 through 2015; interest from 3.45% to 5.9%. This issue is being serviced by the Real Estate Excise Tax Capital Fund for the General Obligation Bonds. The Refunding Bonds are being serviced with revenues derived from the General Fund (75%) and the Sewer Enterprise Fund (25%).	6,160,000
\$13,490,000 1996 Limited Tax General Obligation Bonds due in annual installments of \$175,000 to \$1,425,000 through 2016; interest from 3.65% to 5.7% This issue is being serviced by the "911" CRCA Special Revenue Fund.	8,445,000
\$7,985,000 1997 Limited Tax General Obligation Bonds due in annual installments of \$130,000 to \$520,000 through 2027; interest from 4.455% to 5.75%. The Tri-Mountain Golf O & M Special Revenue Fund are servicing this issue.	7,580,000

Clark County, Washington

\$20,415,000 1998 Limited Tax General Obligation Bonds due in annual installments of \$320,000 to \$1,740,000 through 2018; interest from 4.50% to 5.0%. The Conservation Futures II Capital Fund (51%) and the Real Estate Excise Tax Capital Fund (49%) service this issue. 19,410,000

\$ 6,400,000 1999 Limited Tax General Obligation Bonds due in annual installments of \$235,000 to \$425,000 through 2018; interest from 4.0% to 5.0%. This issue is being serviced by the Real Estate Excise Tax Capital Fund (89%), Tri-Mountain Golf O & M Special Revenue Fund (4%), and the General Fund (7%). 5,430,000

\$ 3,000,000 1999 Limited Tax General Obligation Bonds due in annual installments of \$90,000 to \$240,000 through 2019; interest from 5.0% to 5.6%. The General Fund services this issue. 2,815,000

\$37,090,000 2001 Limited Tax General Obligation Bonds due in annual installments of \$50,000 to \$3,065,000 through 2026, interest from 4.125% to 5.125%. This issue is being serviced by the Real Estate Excise Tax Capital Fund. 37,090,000

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending December 31	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2002	\$ 4,868,061	\$ 5,058,025	\$ 306,940	\$ 83,266
2003	4,511,839	4,817,254	323,162	69,920
2004	4,724,371	4,593,530	335,628	55,453
2005	5,093,149	4,348,771	351,851	40,080
2006	4,485,000	4,071,815	215,000	23,718
2007-2011	17,780,000	17,467,550	295,000	17,295
2012-2016	21,235,000	12,833,795	0	0
2017-2021	18,720,000	7,261,726	0	0
2022-2026	17,530,000	2,908,400	0	0
2027	520,000	28,080	0	0
Totals	\$ 99,467,420	\$ 63,388,946	\$ 1,827,581	\$ 289,732

Special Assessment Bonds

The government also issues special assessment bonds for the construction of roads and like improvements in certain areas. These bonds will be repaid from amounts levied against the property owners benefited by this construction. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the county must provide the resources to cover the deficiency until other resources, for example, foreclosure proceeds, are received. At December 31, 2001, special assessment receivables of \$202,474 were considered delinquent. The special assessment bonds outstanding are as follows:

Clark County, Washington

<u>Description</u>	<u>Amount Outstanding</u>
\$1,947,782 R.I.D. No. 11/12 Special Assessment Bonds due in 2011; interest at 7% to 7.75%, payable semi-annually. These bonds are serviced by R.I.D. No. 11/12 Debt Service fund from special assessments levied.	145,000
\$582,338 R.I.D. No. 15/16 Special Assessment Bond due in 2014; interest at 5.5% to 7%. These bonds are being serviced by R.I.D. No. 15/16 Debt Service Fund from special assessments levied.	145,000
\$198,261 R.I.D. 17 Special Assessment Bonds due in 2016; interest at 4% to 6.3%. These bonds are serviced by R.I.D. No. 17 Debt Service Fund from special assessments.	80,000
\$73,954 R.I.D. 18 Special Assessment Bonds due in 2019; interest at 6.35%. These bonds are serviced by R.I.D. No.18 Debt Service Fund from special assessments and will be repaid over 15 years.	43,954

Annual debt service requirements to maturity for special assessment bonds are as follows:

Year Ending December 31	Principal	Interest
2002	\$ 0	\$ 29,154
2003	0	29,154
2004	0	29,154
2005	0	29,154
2006	0	29,154
2007-2011	145,000	145,768
2012-2016	225,000	69,280
2017-2019	43,954	8,373
Totals	\$ <u>413,954</u>	\$ <u>369,191</u>

Revenue Bonds

The county also issues bonds where the government pledges income derived from the acquired or constructed assets to pay debt service. The original amount of outstanding bonds issued in prior years was \$54,495,000. In 2001, \$31,190,000 of Sewer Refunding bonds was issued in 2001. The \$5,425,000 issue partially refunds the 1995 Sewer Revenue bonds. The \$25,765,000 issue partially refunds the 1996 Sewer Revenue bonds. Revenue bonds outstanding at year-end, serviced by the Sewer enterprise fund, are as follows:

<u>Description</u>	<u>Amount Outstanding</u>
\$9,100,000 1995 Sewer Fund Revenue Bonds due in annual installments of \$265,000 to \$735,000 through 2015; interest from 4.6% to 6.1%.	1,540,000
\$45,395,000 1996 Sewer Fund Revenue Bonds due in annual installments of \$1,355,000 to \$3,635,000 through 2016; interest from 3.9% to 5.85%.	9,385,000

Clark County, Washington

\$5,425,000 2001 Refunding Sewer Revenue bonds due in annual installments of \$440,000 to \$640,000 through 2015; interest from 4.00% to 4.75%.	5,345,000
\$25,765,000 2001 Refunding Sewer Revenue bonds due in annual installments of \$2,040,000 to \$3,155,000 through 2016; interest from 4.25 % to 5.25%.	25,520,000

Revenue bond debt service requirements to maturity are as follows:

Year Ending December 31	Principal	Interest
2002	\$ 2,045,000	\$ 2,114,492
2003	2,145,000	2,012,023
2004	2,265,000	1,894,422
2005	2,385,000	1,770,045
2006	2,525,000	1,633,737
2007-2011	13,750,000	6,206,688
2012-2016	16,675,000	2,610,663
Totals	\$ <u>41,790,000</u>	\$ <u>18,242,070</u>

In Proprietary funds, unamortized debt issuance costs are recorded as deferred charges and bonds are displayed net of premium or discount; annual interest expense is decreased by amortization of debt issue costs and discounts.

Advance Due to Other Governments

The county also receives loans from other governments. The County has four remaining low-interest (1% and 2%) loans from the State Department of Community Development Public Works Trust Fund that will be repaid within 13 years in annual installments on each loan from \$29,479 to \$123,737. The funds from these loans are to be used for sewer improvement projects and will be paid back by the Sewer Enterprise Fund.

For governmental activities in 2001, the county also accepted two loans from the State Department of Community Development not to exceed \$750,000 for county road projects.

Interest rates on this loan are .05%, with annual installments on each loan from \$46,875 to \$140,625 ending in 2006. There is also a loan from the State Department of Transportation, which is for Chelatchie Railroad improvements. This loan is interest free with annual payments of \$13,397 ending in 2008. Advances Due to Other Governments for debt service requirements to maturity are as follows:

Year Ending December 31	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2002	\$ 13,396	\$ 2,573	\$ 286,885	\$ 30,652
2003	200,898	3,750	286,885	27,315
2004	200,897	2,813	286,885	23,977
2005	200,897	1,875	286,885	20,640
2006	200,898	938	286,885	17,303
2007-2011	26,793	0	1,120,259	40,137
2012-2016	0	0	182,694	2,122
Totals	\$ <u>843,779</u>	\$ <u>11,948</u>	\$ <u>2,737,378</u>	\$ <u>162,146</u>

Clark County, Washington

Advance and Current Refundings

The government issued \$5,425,000 (2001A) and \$25,765,000 (2001B) of revenue bonds to provide resources to purchase securities that were placed in an irrevocable trust. The 2001A issue was for the purpose of generating resources for all future debt service payments of \$5,750,000 of the 1995 Sewer Revenue Bonds. The 2001B series was issued for the purpose of generating resources for all future debt service payments of \$28,360,000 of the 1996 Sewer Revenue Bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the business-type activities column of the statement of net assets. The reacquisition price of the new debt exceeded the net carrying amount of the old debt by \$3.3 million. This amount is being netted against the new debt and amortized over the remaining life of the old debt. This advance refunding was undertaken to reduce total debt service payments over the next 20 years by \$1.6 million for the 2001 Series B issue and \$7 million for the 2001 Series A issue. These issues resulted in an economic gain from a present value perspective of \$343,441 and \$1,037,639 respectively.

Changes in Long Term Liabilities

The following is a summary of the long-term debt transactions of Clark County for the year ended December 31, 2001:

	Beginning Balance	New Issues	Retirements	Ending Balance	Due Within One Year
Governmental activities					
Bonds payable					
General obligation bonds	\$ 66,965,459	\$ 37,090,000	\$ 4,588,039	\$ 99,467,420	\$ 4,868,061
Special assessment bonds	518,954	0	105,000	413,954	0
Less deferred amounts for issuance discounts	0	(188,110)	(6,967)	(181,143)	0
Total bonds payable	67,484,413	36,901,890	4,686,072	99,700,231	4,868,061
Capital lease	11,378	0	4,366	7,012	4,716
Advances due to other governments	107,175	750,000	13,396	843,779	13,397
Claims and judgements payable	4,079,802	388,161	2,305,935	2,162,028	0
Compensated absences	368,154	572,048	0	940,202	0
Governmental activity long term liabilities	\$ 72,050,922	\$ 38,612,099	\$ 7,009,769	\$ 103,653,252	\$ 4,886,174
Business-type activities					
Bonds payable					
General obligation bonds	\$ 2,124,541	\$ 0	\$ 296,961	\$ 1,827,580	\$ 306,940
Revenue bonds	47,255,000	31,190,000	36,655,000	41,790,000	2,045,000
Less deferred amounts:					
For issuance discounts/premiums	(805,318)	521,920	(766,997)	483,599	0
On refunding	0	(3,376,714)	(562,788)	(2,813,926)	0
Total bonds payable	48,574,223	28,335,206	35,622,176	41,287,253	2,351,940
Advance due to other governments	3,295,711	0	558,332	2,737,379	286,885
Compensated absences	0	96,072	0	96,072	0
Business-type activity long term liabilities	\$ 51,869,934	\$ 28,431,278	\$ 36,180,508	\$ 44,120,704	\$ 2,638,825

Clark County, Washington

For governmental activities, claims and judgments and compensated absences are generally liquidated by the general fund. The County is limited to a non-voted debt capacity of 1½% and a voted debt capacity of 2½% of the assessed valuation. At December 31 2001, the remaining non-voted capacity was \$261,960,954 and the remaining voted and non-voted capacity was \$504,131,590.

In October 2001, the County's was awarded a Public Works Trust Fund Loan of \$9,100,000 for construction of four road projects. The funds will be received over the next three years.

I. Short Term Debt

The County has a tax anticipation note authorized at \$5,000,000 for the purpose of paying expenditures of the County's General Fund and other funds pending the receipt of taxes and other revenues. This note is drawn down as needed, similar to a line of credit. The following funds shared in the borrowing: Planning and Code, County Road, Family and Youth Resources, Admin/Grants Management, Alcohol and Drug Abuse, Children's Care and Purchasing. Additionally, the Planning and Code Fund and County Road Fund issued registered warrants to provide resources in advance of property tax collections and grant receipts. Short term debt activities for the year ended December 31, 2001 was as follows:

	Beginning Balance	Proceeds	Repayment	Ending Balance
Tax Anticipation Note (line of credit)	\$ 2,986,209	\$ 28,028,104	\$ 31,014,313	0
Registered Warrant - Planning and Code Fund	0	1,710,798	517,056	1,193,742
Registered Warrant - Road Fund	0	11,392,652	11,392,652	0
Total Short term Debt	\$ 2,986,209	\$ 41,131,554	\$ 42,924,021	1,193,742

V. OTHER INFORMATION

A. Pension Plans

Substantially all County full time employees (including the component unit's employees) and qualifying part-time employees participate in one of the statewide public employee retirement systems administered by the Department of Retirement Systems (DRS), under cost-sharing multiple-employer defined benefit public employee retirement systems. The Department of Retirement Systems, a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to: Department of Retirement Systems, Communications Unit, PO Box 48380, Olympia, WA 98504-8380. The following disclosures are made pursuant to GASB Statement 27, *Accounting for Pensions by State and Local Government Employers*.

Clark County, Washington

1. *Public Employees' Retirement System (PERS) Plans 1 and 2*

Plan Description

PERS is a cost-sharing multiple employer retirement system. Membership in the system includes elected officials, state employees, employees of the Supreme, appeals and Superior courts (other than judges in a judicial retirement system), employees of legislative committees, college and university employees (not in national higher education retirement systems), judges of district and municipal courts, and employees of local governments. The PERS system includes two defined benefit pension plans. Participants who joined the system before September 30, 1977 are Plan 1 members. Those joining thereafter are enrolled in Plan 2. Retirement benefits are financed from employee and employer contributions and investment earnings. Retirement benefits in both Plan 1 and Plan 2 are vested after completion of five years of eligible service. Retirement benefit provisions are established in state statute and may be amended only by the state legislature.

Plan 1 members are eligible for retirement after 30 years of service or at age 60 with five years of service, or at the age of 55 with 25 years of service. The annual pension is two percent of the average final compensation per year of service, capped at 60 percent. The final compensation is based on the greatest compensation during any 24 eligible consecutive compensation months. If qualified, after reaching age 66, a cost-of-living allowance is granted based on years of service credit and is capped at three percent annually.

Plan 2 members may retire at age 65 with five years of service, or at age 55 with 20 years of service, with an allowance of two percent per year of service of the average final compensation. Plan 2 retirements prior to 65 receive reduced benefits. If retirement is at age 55 with 30 years of service, a 3 percent per year reduction applies, otherwise an actuarial reduction will apply. There is no cap on years of service credit and a cost of living allowance is granted, capped at three percent annually.

There are 1,177 participating employers in PERS. Membership in PERS consisted of the following at December 31, 2000:

Retirees and Beneficiaries Receiving Benefits	61,088
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	17,314
Active Plan Members Vested	98,018
Active Plan Members Nonvested	<u>54,243</u>
Total	<u>230,663</u>

Funding Policy

Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates and Plan 2 employer and employee contribution rates. Employee contribution rates for Plan 1 are established by statute at six percent and do not vary from year to year. The employee and employer contribution rates for Plan 2 are set by the director of the Department of Retirement Systems based on recommendations by the Office of the State Actuary to continue to fully fund the plan. All employers are required to contribute at the level established by state law. The methods used to determine the contribution rates are established under state statute in accordance with chapter 41.40 and 41.45 RCW.

Clark County, Washington

The required contribution rates for the year ending December 31, 2001 expressed as a percentage of covered payroll were:

	<u>PERS Plan 1</u>	<u>PERS Plan 2</u>
Employer	1.77 % *	1.77 % *
Employee	6.00 %	0.88 %

* = The employer rates include the employer administrative expense fee currently set at 0.23%.

Both the County and the employees made the required contributions. The County's required contributions for the years ended December 31, were:

	<u>PERS Plan I</u>	<u>PERS Plan II</u>
2001	\$251,678	\$1,701,463
2000	326,315	2,068,938
1999	477,941	2,708,796

2. Law Enforcement Officers and Fire Fighters' Retirement System (LEOFF)

Plan Description

LEOFF is a cost-sharing, multiple employer retirement system. Membership in the system includes all full time, fully compensated, local law enforcement officers and fire fighters. LEOFF is comprised solely of non-state employees. The LEOFF system includes two defined benefit pension plans. Participants who joined the system before September 30, 1977 are Plan 1 members. Those joining thereafter are enrolled in Plan 2. Retirement benefits are financed from employee and employer contributions, investment earnings, and state contributions. Retirement benefits in both Plan 1 and Plan 2 vest after completion of five years of eligible service. Retirement benefit provisions are established in state statute and may be amended only by the state legislature.

Plan 1 members are eligible to retire after five years of service at age 50. The benefit per year of service is as follows, with a cost-of-living allowance granted, capped at three percent annually:

<u>TERM OF SERVICE</u>	<u>PERCENT OF FINAL AVERAGE</u>
20 or more years	2.0%
10 but less than 20 years	1.5%
5 but less than 10years	1.0%

Plan 2 participants are eligible to retire at the age of 50 with 20 years of service, or at age 55 with five years of service. Retirement benefits prior to age 55 are actuarially reduced 3 percent for each year that the benefit commences prior to age 53. The benefit is two percent of average salary per year of service. The average salary is based on the highest consecutive 60 months. There is no cap on years of service credit and a cost-of-living allowance is granted, capped at three percent annually.

Clark County, Washington

There are 362 participating employers in LEOFF. Membership in LEOFF consisted of the following at December 31, 2000:

Retirees and Beneficiaries Receiving Benefits	7,923
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	279
Active Plan Members Vested	10,680
Active Plan Members Nonvested	<u>3,952</u>
Total	<u><u>22,834</u></u>

Funding Policy

Plan 1 employer and employee contributions rates are established by statute, and the state is responsible for the balance of the funding at rates set by Pension Funding Council to fully amortize the total costs of the plan. Starting on July 1, 2000, Plan 1 employers and employees will contribute zero percent as long as the plan remains fully funded. Employer and employee rates for Plan 2 are set by the director of the Department of Retirement Systems based on recommendations by the Office of the State Actuary to continue to fully fund the plan. Plan 2 employers and employees are required to contribute at the level required by state law. The methods used to determine the contribution rates are established under state statute in accordance with chapters 41.26 and 41.45 RCW.

The required contribution rates for the year ending December 31, 2001 expressed as a percentage of covered payroll were:

	<u>LEOFF Plan 1</u>	<u>LEOFF Plan 2</u>
Employer	.23 % *	4.30 % *
Employee	.00 %	6.78 %
State	N/A	1.80 %

* = The employer rates include the employer administrative expense fee currently set at 0.23%.

Both the County and the employees made the required contribution. The County's required contributions for the years ended December 31, were:

	<u>LEOFF Plan 1</u>	<u>LEOFF Plan 2</u>
2001	\$ 1,224	\$ 264,037
2000	26,797	264,302
1999	62,182	295,766

B. Deferred Compensation Plan

The County maintains a deferred compensation plan for all full-time employees in accordance with the provisions of Internal Revenue Code (IRC) Section 457. Section 457 requires that the assets and income of the plan be held in trust for the exclusive benefit of participants and their beneficiaries.

Monthly contributions to the plan are deducted from the wages of employees who choose to participate as prescribed by federal law and regulations. The contributions are deposited with a third party in the County's name and in trust on behalf of the County's employees.

Clark County, Washington

The County has adopted Governmental Accounting Standard Board Statement No.32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The County has little administrative involvement and does not perform the investing functions for this plan, therefore, this plan is not shown in the County's financial statements.

As of December 31, 2001, 979 participants were enrolled having accumulated deposits with a fair value of \$21,425,437.

C. Post Employment Health Care Benefits

In addition to the pension benefits described, the County provides health insurance benefits for retired public safety employees. Substantially all County LEOFF I employees may become eligible for these benefits if they reach normal retirement age while working for the County. These benefits are provided by the County in order to meet State statutory requirements under the LEOFF I system whereby the County will pay for their medical premiums for life.

There are 58 participants eligible to receive these benefits. The County's contributions are financed on a pay-as-you-go basis, i.e., the cost of retiree medical benefits is recognized as an expense when premiums are paid. In 2001, \$190,322 of the \$409,415 total expenses were recognized in the Retirement/Benefits Reserve Fund for post employment health care.

D. Joint Ventures

The County has entered into one joint venture with the City of Vancouver and other local governments in the establishment and operation of the Clark Regional Emergency Services Agency. Control of this joint venture is shared equitably by the controlling organizations. This entity is reported as a governmental fund joint venture. As such, the County's share of ownership is reported in the governmental activities column of the Statement of Net Assets, as a capital asset.

Clark Regional Emergency Services Agency (CRESA) was created by agreement under the Inter-local Cooperation Act (RCW 39.34) between Clark County and various cities and other political districts. The purpose of the Agency is to equip and operate a consolidated public safety communications service. Clark County has a 45% interest in the equity and operations of the Agency. The County's share of 2001 net deficit was \$151,447 for a total equity interest of \$378,439 at the end of 2001. Long term liabilities of \$4,046,325 in CRESA consist of a pension fund liability. CRESA has intentionally used cash reserves for current year operations to in lieu of raising user charges. The board and the participating entities have planned increased user fees to be implemented over the next few years. CRESA is a separate reporting entity. The County's and each participant's share of authority is defined by the terms of the enabling charter of the venture. Control as represented by the Board of County Commissioners or City Council is divided between the City and County. Separate financial statements for the joint venture can be obtained from CRESA.

E. Annexation Agreements/Assets In Safe Keeping

In December 1999, the County and the City consolidated their parks operations. The County has transferred its park impact fee funds to the City and the City will expend them on park projects in the coming years. These impact fees have been recorded as assets in safekeeping until such time as the parks are purchased and recorded in the County's Statement of Net Assets.

Clark County, Washington

F. Transportation Impact Fees

In 1990, Clark County adopted an impact fee ordinance to ensure that adequate facilities are available to serve new growth and development. An impact fee is levied on developers as a condition of issuance of a building permit or development approval. In addition, the developer may be entitled to a non-refundable credit against the applicable impact fee component for the fair market value of appropriate dedications of land, improvements or new construction of system improvements provided by the developer. The amount of such dedications in 2001 is \$682,278. In the event that the amount of the credit is calculated to be greater than the amount of the impact fee due, the developer may apply the excess credit toward impact fees imposed on other developments within the same service area. The amount of credits applied toward impact fees in 2001 is \$618,151. As of December 31, 2001 the amount of credits that may be applied against future impact fees is \$3,259,377.

G. Risk Management

The County purchases commercial insurance for the protection of its physical plant and equipment, and for errors and omissions, as well as several small risk specific policies. The county is self-funded against general liability claims, unemployment claims, and industrial accident claims.

1. *General Liability Insurance*

The County self-insures liability risks by setting aside assets for claims settlements in its internal service fund. In 2000, the County purchased a \$10 million excess liability insurance policy with a \$2 million self insured retention limit. In 2001, the County conducted an actuarial review and as a result the paid losses for general liability, personal injury liability and automobile injury for Clark County for the year ended December 31, 2001 were reduced by \$1.9 million. The County has actuarially determined that the claims incurred during the year, including claims incurred but not yet reported, totaled \$388,161. The following schedule reconciles the current year and the prior year claim liability:

	2001	2000
Beginning claims liability	\$4,079,802	\$3,777,537
Claims incurred during the year (including IBNRs)*	388,161	562,963
Payments made on claims during the year and prior fiscal year estimates	<u>(2,305,935)</u>	<u>(260,698)</u>
Ending claims liability	<u>\$2,162,028</u>	<u>\$4,079,802</u>

*Represents the total of a provision for events of the current fiscal year and any changes in the provision for events of the prior fiscal years.

The County obtained an actuarial study in 2001 that estimated the future liability of the County in accordance with GASB 10, *"Accounting and Financial Reporting for Risk Financing and Related Insurance Issues"*. The County attempts to maintain fund reserves at an amount that approximates an 80% to 90% level of confidence that the reserve will be sufficient to cover all future payments on claims incurred and/or outstanding as of the year-end. Funding levels within the General Liability Insurance Fund at December 31, 2001 comply with that goal. As of December 31, 2001, the County had current assets in the General Liability Insurance Fund of \$8.2 million to cover the estimated claims liability.

Clark County, Washington

1. Other Self-Insurance Funds

The County is self-funded for unemployment insurance claims and for most industrial insurance (worker's compensation) claims. Current assets set aside at December 31, 2001 for these claims are \$2.8 million and \$1 million respectively. There were no significant claims outstanding against these assets at December 31, 2001. The County maintains a commercial policy for excess worker's compensation claims. No significant reduction in insurance coverage occurred during the year and no settlements have exceeded insurance coverage for each of the past three years.

H. Contingent Liabilities

The County participates in several Federal, State, and local grant programs. These grants are subject to an annual audit examination that includes compliance with granting agency terms and provisions, and with pertinent Federal and State regulations. Failure to adequately comply with these provisions could result in a requirement to repay funds to the granting agency. Disallowed expenditures cannot be determined at this time, although it is expected that such amounts would be immaterial.

The County has been named as a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, the County is of the opinion that present reserves are available to adequately cover potential settlements without adversely affecting the financial condition of the County.

I. GASB 18 - Accounting For Solid Waste Landfill Closure And Postclosure Costs

GASB 18 establishes the standards for accounting and financial reporting for municipal solid waste landfill closure and post closure care costs. This statement applies to the owners and operators of landfills. The County does not own or operate a landfill, but rather, in 1988 entered into a Solid Waste Reduction and Disposal Agreement with the private owner of the landfill to direct the flow of solid waste and establish a landfill reserve fund. The solid waste closure fund was established by the County for the sole purpose of accumulating disposal fees collected by the landfill operator and other resources designated to pay for environmental compliance, closure and self-insurance of the solid waste landfill. The likelihood of the County incurring costs associated with ongoing monitoring of the landfill is remote; accordingly no liability is reflected in the County's financial statements.

J. Prior Period Adjustments

County Road Fund reports a prior period adjustment of \$974,986 resulting from the close out of federal and state grant funded capital road projects and projects which were not billed for previously. Expenditures had been incurred in previous years but the revenues were not received until this year once the close out documents were approved by the granting agency.

A prior period adjustment was made in the Development Impact Fee Capital Project Fund of \$(577,968). During 2001, the County recognized they had overcharged homeowners in parks impact fees over the last five years. These fees are one-time charges on new construction to help pay for future growth. An incorrect rate schedule for the park impact fees was used to load the rates in 1996 and therefore, the impact fees have been overcharged since that time. The Board of County Commissioners decided to file a class action lawsuit asking Superior Court to determine whether the original builder or the current homeowner is entitled to the refund. The Court has yet to determine who will receive the refund and the monies have not been disbursed.

Clark County, Washington

K. Changes In Accounting Principles

During 2001, the County partially implemented GASB 34, "*Basic Financial Statements and Management's Discussion and Analysis for States and Local Governments*". The County expects to implement the retroactive infrastructure requirement in its 2002 financial report.

As a result the proprietary funds beginning retained earnings were restated to include contributed capital and renamed net assets.

	Sanitary <u>Sewer</u>	Non Major <u>Enterprise Funds</u>	Internal <u>Service</u> <u>Funds</u>
Contributed Capital	20,473,693	1,560,679	9,348,194
Retained Earnings	<u>14,934,550</u>	<u>9,313,042</u>	<u>16,408,347</u>
Net Assets as of January 1	<u><u>\$35,408,243</u></u>	<u><u>\$10,873,721</u></u>	<u><u>\$25,756,541</u></u>

Additionally, the capital assets beginning balance was increased for infrastructure work in progress of \$64,045,838. This represents prior year expenditures related to infrastructure assets completed during 2001.